



Journal of the Senate

State of Indiana

114th General Assembly

Second Regular Session

Twenty-fifth Meeting Day

Tuesday Afternoon

February 28, 2006

The Senate convened at 1:32 p.m., with the President of the Senate, Rebecca S. Skillman, in the Chair.

The Senate Reader was directed to read the previously read section of the District Court's Order in *Hinrichs v. Bosma*, as set out in full in the Senate Journal of January 9, 2006.

Silent prayer followed the reading.

The Pledge of Allegiance to the Flag was led by the President of the Senate.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Becker	Lubbers
Bowser	Lutz
Bray	Meeks
Breaux	Merritt
Broden	Miller
Craycraft	Mishler
Delph	Mrvan
Dillon	Nugent
Drozda	Paul
Ford	Riegsecker
Gard	Rogers
Garton	Simpson
Harrison	Sipes
Heinold	Skinner
Hershman	Smith <input checked="" type="checkbox"/>
Howard	Steele
Hume	Tallian
Jackman	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 243: present 49; excused 1. [Note: A ☒ indicates those who were excused.] The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 41

Senate Concurrent Resolution 41, introduced by Senators Ford, Merritt, Craycraft, and Lewis:

A CONCURRENT RESOLUTION honoring the Indiana State Fair Commission and Board on the upcoming 150th State Fair.

Whereas, In 1851, the Indiana General Assembly passed an act "to encourage agriculture," which provided for the formation of a State Board of Agriculture. The primary goal of the Board was to create the first Indiana State Fair;

Whereas, Then in 1852, Indiana became the sixth state to begin holding an annual state agricultural fair. The original purpose of the State Fair was to allow Indiana's farmers to share ideas, view the most modern farming techniques, and display their products;

Whereas, The first State Fair was held at Camp Sullivan, which is now known as Military Park in downtown Indianapolis. While Indianapolis has been the primary location of the State Fair throughout its history, a few other Indiana cities hosted the event in the 1800s: Lafayette (1853), Madison (1854), New Albany (1859), Fort Wayne (1865) and Terre Haute (1867);

Whereas, In 1892, the Fair moved to its current location at East 38th Street and Fall Creek Parkway;

Whereas, The Indiana State Fair is one of the longest running fairs in the nation, having been held every year since 1852 with the exceptions of 1861, due to the Civil War, and 1942-1945, due to World War II;

Whereas, Agricultural activities at the Fair over the years have consisted of various livestock shows and crop exhibits. In addition, the Fair has included numerous homemaking projects such as baking, sewing, and arts and crafts;

Whereas, Today, with over 64,000 farms in Indiana, agriculture is still a focal point of the Fair. Attractions such as Pioneer Village, Farmers Day at the Fair, Pioneer Our Land Pavilion, the Ag/Hort Building, Little Hands on the Farm, and countless other exhibits highlight the development and impact of agriculture on the lives of Hoosiers statewide;

Whereas, In addition to agriculture, the Indiana State Fair has hosted many nationally-known performers, including: Captain Kangaroo, Johnny Cash, Reba McEntyre, DefLeppard, Dolly Parton, Garth Brooks, Bruce Springsteen, Alabama, Sonny & Cher, and The Beatles;

Whereas, The Indiana State Fair is also known for its scrumptious and varied menu of food, including traditional favorites like corn on the cob, Hoosier ribeye sandwiches, lemon shake-ups, milk shakes, and corn dogs, as well as many other delicious treats;

Whereas, After \$8 million in enhancements in 2004, the 4-H Education Complex at the State Fairgrounds is the nation's premier showcase of 4-H exhibits and events;

Whereas, With an annual average attendance of more than 800,000 visitors, the State Fair is the most-attended event in Indiana and generates nearly \$20 million annually for the economy; and

Whereas, Although primarily an agricultural exposition, the Indiana State Fair is a family event that young and old look forward to every year: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the Indiana General Assembly recognizes the 150th Indiana State Fair and congratulates the Indiana State Fair Commission and Board on having one of the longest running State Fairs in the nation.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Cindy Hoye, Executive Director of the Fair Commission; Dr. Gene Sease, State Fair Commission Chairman; and the members of the Indiana State Fair Board.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Ruppel, Pond, Bischoff, and Goodin.

Senate Concurrent Resolution 35

Senate Concurrent Resolution 35, introduced by Senator Howard:

A CONCURRENT RESOLUTION congratulating Molly Seward for being named Indiana's Teacher of the Year for 2005, thanking her for her service to Indiana's youth, and extending our congratulations to her for representing Indiana at the national competition in Washington, DC for teacher of the year.

Whereas, Molly is a second grade teacher of 17 years; and

Whereas, She teaches at Snacks Crossing Elementary in MSD Pike Twp Schools in Indianapolis and is currently a "teacher-in-residence" at the Indiana Department of Education; and

Whereas, She received her Bachelor of Science in Elementary Education from Indiana University in December of 1986 and a Masters of Science in Curriculum and Instruction from the University of Indianapolis in May of 1998; and

Whereas, Dr. Suellen Reed, Superintendent of Public Instruction, has said that her "classroom and community work demonstrates a strong commitment to making Indiana's public schools stronger and its teachers better" and that "she is an advocate for the state of education in Indiana, an inspiration to our students, and an outstanding representative for all Indiana teachers."; and

Whereas, She has been honored as the Pike Township Teacher of the Year in 2004 and as the Outstanding Indiana Educator in 1997 by the University of Indianapolis; and

Whereas, She received the Armstrong Teacher Educator award in 2004 and the Professional Teaching Achievement Award from Governor O'Bannon in 2001;

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. The General Assembly congratulates Molly Seward for being named Indiana's Teacher of the Year for 2005, thanks her for her service to Indiana's youth, and extends its congratulations to her for representing Indiana at the national competition in Washington, DC for teacher of the year.

SECTION 2. The Secretary of the Senate shall transmit a copy of this Resolution to Molly Seward, Indiana University, the University of Indianapolis, and Snacks Crossing Elementary School.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsor: Representative Mays.

SENATE MOTION

Madam President: I move that Senator Breaux be added as cosponsor of Engrossed House Bill 1172.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Craycraft be added as cosponsor of Engrossed House Bill 1080.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Breaux be added as cosponsor of Engrossed House Bill 1080.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hume be added as coauthor of Engrossed Senate Bill 69.

WEATHERWAX

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hershman be added as coauthor of Engrossed Senate Bill 54.

NUGENT

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Kruse be added as coauthor of Engrossed Senate Bill 354.

WEATHERWAX

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Alting be added as coauthor of Engrossed Senate Bill 5.

STEELE

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Delph be added as coauthor of Engrossed Senate Bill 47.

HERSHMAN

Motion prevailed.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed, without amendments, Engrossed Senate Bills 232, 235, 236, and 246 and the same are herewith returned to the Senate.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed Senate Bills 247 and 253 with amendments and the same are herewith returned to the Senate for concurrence.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed House Concurrent Resolution 59 and the same is herewith transmitted for further action.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed House Concurrent Resolution 60 and the same is herewith transmitted for further action.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed Senate Bills 12, 47, 54, 83, and

111 with amendments and the same are herewith returned to the Senate for concurrence.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed, without amendments, Engrossed Senate Bills 33, 36, 39, 56, 73, 81, and 94 and the same are herewith returned to the Senate.

M. CAROLINE SPOTTS
Principal Clerk of the House

1:51 p.m.

The Chair declared a recess until the fall of the gavel.

Recess

The Senate reconvened at 4:25 p.m., with the President of the Senate in the Chair.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed Senate Bill 5 with amendments and the same is herewith returned to the Senate for concurrence.

M. CAROLINE SPOTTS
Principal Clerk of the House

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 258:

Conferees: Kenley, Chair and Hume

GARTON
Date: 2/28/2006
Time: 1:41 p.m.

Report adopted.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 77:

Conferees: Heinold, Chair and Broden
Advisors: Drozda and Howard

GARTON
Date: 2/28/2006
Time: 1:57 p.m.

Report adopted.

REPORT OF THE PRESIDENT PRO TEMPORE

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 106:

Conferees: M. Young, Chair and Broden

Advisors: Miller and Craycraft

GARTON

Date: 2/28/2006

Time: 1:38 p.m.

Report adopted.

ENGROSSED HOUSE BILLS ON SECOND READING

Engrossed House Bill 1001

Senator Kenley called up Engrossed House Bill 1001 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 1001-10)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 2, between lines 20 and 21, begin a new paragraph and insert:
"SECTION 3. IC 5-22-10-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) This section applies to the purchase of supplies by the Indiana stadium and convention building authority created by IC 5-1-17-6.**

(b) A purchasing agent may award a contract for supplies and for the installation of supplies described in subsection (a) when there is only one (1) source for the supplies and the purchasing agent determines in writing that:

(1) the sole source is:

- (A) integral to the design of a project; or**
- (B) sufficiently unique or specialized; and**

(2) alternative supplies:

- (A) are not available;**
- (B) present design problems;**
- (C) present warranty issues; or**
- (D) diminish the desired result."**

Page 3, between lines 9 and 10, begin a new paragraph and insert:
"SECTION 5. IC 6-1.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) Except as provided in subsections (b) and (d), and subject to subsection (h), a taxpayer shall, on or before the filing date of each year, file a personal property return with the assessor of each township in which the taxpayer's personal property is subject to assessment.**

(b) The township assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:

- (1) the taxpayer submits a written application for an extension prior to the filing date; and**
- (2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.**

(c) If the sum of the assessed values reported by a taxpayer on the business personal property returns which the taxpayer files with the township assessor for a year exceeds one hundred fifty thousand dollars (\$150,000), the taxpayer shall file each of the returns in duplicate.

(d) A taxpayer may file a consolidated return with the county assessor if the taxpayer has personal property subject to assessment in more than one (1) township in a county and the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000). A taxpayer filing a consolidated return shall attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A taxpayer filing a consolidated return shall provide the following:

(1) The county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.

(2) A copy of the consolidated return, with attachments, for each township listed on the return.

(e) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:

- (1) May 25 of each year, for a return filed on or before the filing date for the return; or**
- (2) June 30 of each year, for a return filed after the filing date for the return.**

(f) The township assessor shall send all required notifications to the taxpayer.

(g) The county assessor may refuse to accept a consolidated personal property tax return that does not have attached to it a schedule listing, by township, all the personal property of the taxpayer and the assessed value of the property as required under subsection (d). For purposes of IC 6-1.1-37-7, a consolidated return is filed on the date it is filed with the county assessor with the schedule of personal property and assessed value attached.

(h) A taxpayer that:

- (1) does not have personal property subject to assessment in a township; and**
- (2) would, if the taxpayer had personal property subject to assessment in the township, be required to report information under section 9(b) of this chapter in the township;**

shall file a return for the township under subsection (a) for the sole purpose of reporting information under section 9(b) of this chapter.

SECTION 6. IC 6-1.1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) In completing a personal property return for a year, a taxpayer shall make a complete disclosure of:**

(1) all information required by the department of local government finance that is related to the value, nature, or location of personal property:

(1) (A) that the taxpayer owned on the assessment date of that year; or

~~(2)~~ **(B)** that the taxpayer held, possessed, or controlled on the assessment date of that year; **and**

(2) the information required under subsection (b) related to real property.

(b) A taxpayer shall:

(1) indicate on a personal property return for a year whether the taxpayer:

(A) is a C corporation (as defined in IC 6-1.1-21-2(p)) that owned; or

(B) is indirectly liable (as defined in IC 6-1.1-21-2(q)) for property taxes with respect to;

real property on the assessment date of that year; and

(2) identify on the personal property return by parcel number or key number any real property referred to in subdivision (1).

~~(b)~~ **(c)** The taxpayer shall certify to the truth of:

(1) all information appearing in a personal property return; and

(2) all data accompanying the return.

SECTION 7. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) **Except as provided in subsection (b),** on or before June 1 of each year, each township assessor of a county shall deliver to the county assessor:

(1) a list ~~which~~ that states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year; and

(2) a list by taxpayer of parcel numbers or key numbers reported on personal property returns for that year under section 9(b) of this chapter.

(b) In a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists **referred to in subsection (a)** to the county auditor. ~~as prescribed in subsection (b).~~

~~(b)~~ **(c)** On or before July 1 of each year, each county assessor shall certify to the county auditor:

(1) the ~~assessment~~ assessed value of the personal property in every taxing district; and

(2) the information delivered to the county assessor for that year under subsection (a)(2) for all townships in the county.

(d) As soon as practicable after receipt of amended personal property returns filed under section 7.5 of this chapter:

(1) each township assessor of a county shall deliver to the county assessor lists of the information required under subsection (a); and

(2) each county assessor shall certify to the county auditor the information required under subsection (c);

included in the amended returns.

~~(c)~~ **(e)** The department of local government finance shall prescribe the forms required by this section."

Page 7, line 20, after "acquires" insert "**in an arms length transaction from an entity that is not an affiliate of the deduction applicant**".

Page 8, line 40, after "acquires" insert "**in an arms length transaction from an entity that is not an affiliate of the deduction applicant**".

Page 9, line 25, after "applicant" insert "**acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant and**".

Page 10, line 2, strike "and".

Page 10, between lines 2 and 3, begin a new line double block indented and insert:

"(C) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant; and".

Page 10, line 3, strike "(C)".

Page 10, line 3, after "was" insert "**(D)**".

Page 10, between lines 7 and 8, begin a new line block indented and insert:

"(16) "Affiliate" means an entity that effectively controls or is controlled by a deduction applicant or is associated with a deduction applicant under common ownership or control, whether by shareholdings or other means.

SECTION 12. IC 6-1.1-18-12, AS AMENDED BY P.L.1-2005, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection **(e)** for taxes first due and payable in 2003 if subsection **(e)** had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted:

(1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and

(2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

(1) IC 8-10-5-17;

(2) IC 8-22-3-11;

(3) IC 8-22-3-25;

(4) IC 12-29-1-1;

(5) IC 12-29-1-2;

(6) IC 12-29-1-3;

(7) IC 12-29-3-6;

(8) IC 13-21-3-12;

(9) IC 13-21-3-15;

(10) IC 14-27-6-30;

(11) IC 14-33-7-3;

(12) IC 14-33-21-5;

(13) IC 15-1-6-2;

(14) IC 15-1-8-1;

(15) IC 15-1-8-2;

(16) IC 16-20-2-18;

(17) IC 16-20-4-27;

(18) IC 16-20-7-2;

(19) IC 16-23-1-29;

(20) IC 16-23-3-6;

(21) IC 16-23-4-2;

(22) IC 16-23-5-6;

(23) IC 16-23-7-2;

(24) IC 16-23-8-2;

(25) IC 16-23-9-2;

(26) IC 16-41-15-5;

(27) IC 16-41-33-4;
 (28) IC 20-26-8-4;
 (29) IC 21-1-11-3;
(30) IC 21-2-15-11;
~~(30)~~ **(31)** IC 21-2-17-2;
~~(31)~~ **(32)** IC 23-13-17-1;
~~(32)~~ **(33)** IC 23-14-66-2;
~~(33)~~ **(34)** IC 23-14-67-3;
~~(34)~~ **(35)** IC 36-7-13-4;
~~(35)~~ **(36)** IC 36-7-14-28;
~~(36)~~ **(37)** IC 36-7-15.1-16;
~~(37)~~ **(38)** IC 36-8-19-8.5;
~~(43)~~ ~~(38)~~ **(39)** IC 36-9-6.1-2;
~~(44)~~ ~~(39)~~ **(40)** IC 36-9-17.5-4;
~~(45)~~ ~~(40)~~ **(41)** IC 36-9-27-73;
~~(46)~~ ~~(41)~~ **(42)** IC 36-9-29-31;
~~(47)~~ ~~(42)~~ **(43)** IC 36-9-29.1-15;
~~(48)~~ ~~(43)~~ **(44)** IC 36-10-6-2;
~~(49)~~ ~~(44)~~ **(45)** IC 36-10-7-7;
~~(50)~~ ~~(45)~~ **(46)** IC 36-10-7-8;
~~(51)~~ ~~(46)~~ **(47)** IC 36-10-7.5-19;
~~(47)~~ **(48)** IC 36-10-13-5;
~~(48)~~ **(49)** IC 36-10-13-7;
~~(49)~~ **(50)** IC 36-12-7-7;
~~(50)~~ **(51)** IC 36-12-7-8;
~~(51)~~ **(52)** IC 36-12-12-10; and
~~(52)~~ **(53)** any statute enacted after December 31, 2003, that:

(A) establishes a maximum rate for any part of the:

- (i) property taxes; or
- (ii) special benefits taxes;

imposed by a political subdivision; and

(B) does not exempt the maximum rate from the adjustment under this section.

(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d)."

Page 10, line 29, strike "(except as necessary to explain the project to the".

Page 10, line 30, strike "public".

Page 10, line 38, delete "." and insert ", or otherwise compelling an employee to promote a position on the petition or remonstrance at any time.".

Page 11, between lines 13 and 14, begin a new paragraph and insert:

"(d) A person or an organization that has a contract or arrangement (whether formal or informal) with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on the petition or remonstrance. A person or an organization that violates this subsection commits a Class A infraction.

(e) An attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project may not spend any money to promote a position on the petition or remonstrance. A person who violates this subsection:

(1) commits a Class A infraction; and

(2) is barred from performing any services with respect to the controlled project.

SECTION 15. IC 6-1.1-20-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 11. (a) This section applies to the determination of the validity of a signature on a document required for a petition and remonstrance procedure under this chapter.**

(b) If:

(1) the validity of a signature is uncertain; and

(2) this section does not establish a standard to be applied in that case;

a reasonable doubt must be resolved in favor of the validity of the signature.

(c) Whenever the name of an individual, as printed or signed, contains a minor variation from the name of the individual as set forth in the relevant county records, the signature is considered valid.

(d) Whenever the residence address or mailing address of an individual contains a minor variation from the residence address or mailing address as set forth in the relevant county records, the signature is considered valid.

(e) Notwithstanding subsection (c) or (d), if the residence address or mailing address of an individual contains a substantial variation from the residence address or mailing address as set

forth in the relevant county records, the signature is considered invalid.

(f) If the signature of an individual does not substantially conform with the signature of the individual in the relevant county records, the signature is considered invalid. In determining whether a signature substantially conforms with an individual's in the relevant county records, consideration shall be given to whether that lack of conformity may reasonably be attributed to the age, disability, or impairment of the individual."

Page 18, line 38, after "is" insert "directly or indirectly".

Page 19, line 1, after "is" insert "directly or indirectly".

Page 19, line 39, after "is" insert "directly or indirectly".

Page 20, line 3, after "is" insert "directly or indirectly".

Page 20, between lines 28 and 29, begin a new paragraph and insert:

"(q) "Indirectly liable" means that at least fifty percent (50%) of any combination of the book value and control of a taxpayer that is liable for property taxes on tangible property is directly or indirectly owned or controlled by one (1) or more C corporations. However, in determining the ownership of an entity in a chain of ownership of a taxpayer, the publicly traded shares or ownership units of an entity shall be treated as not owned by a C corporation."

Page 30, between lines 1 and 2, begin a new paragraph and insert:
"SECTION 29. IC 6-1.1-40-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 1.5. As used in this chapter, "affiliate" means an entity that effectively controls or is controlled by an applicant for a deduction under this chapter or is associated with an applicant for a deduction under this chapter under common ownership or control, whether by shareholdings or other means."

Page 30, line 11, after "acquires" insert "in an arms length transaction from an entity that is not an affiliate of the applicant".

Page 33, line 4, delete "or under section 9(b) of this chapter".

Page 53, delete lines 37 through 42.

Page 54, delete lines 1 through 11.

Page 54, line 12, delete "(3)" and insert "(2)".

Page 54, line 23, delete "(4)" and insert "(3)".

Page 54, delete lines 26 through 42.

Page 55, delete lines 1 through 6.

Page 55, line 7, delete "(7)" and insert "(4)".

Page 55, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 42. IC 6-3-4-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. A C corporation (as defined in IC 6-1.1-21-2(p)) shall:

(1) indicate on a return required under section 1 of this chapter whether the C corporation owned real property on the assessment date (as defined in IC 6-1.1-1-2) in the taxable year for which the return is filed; and

(2) identify on the return by parcel number or key number any real property referred to in subdivision (1)."

Page 60, delete lines 8 through 42, begin a new paragraph and insert:

"(b) The county council may, by ordinance, determine that

additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:

(A) jail facilities;

(B) juvenile court, detention, and probation facilities;

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to operate or maintain any of the facilities described in subsection (b)(1)(A) through (b)(1)(D) that are located in the county. The county council may make a determination under both this subsection and subsection (b).

(~~c~~) (d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes ~~the~~ a finding and determination set forth in subsection (b) or (c). The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.

(e) If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and

(2) all bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities described in subsection (b)(1)(A).

(f) The tax imposed under this section may be imposed only until the later of the date on which:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; or

(2) ~~the date on which~~ the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid; or

(3) an ordinance adopted under subsection (c) is rescinded.

(g) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(~~d~~) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (c). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of carrying out the purposes described in subsection (b)(1).

~~(e)~~ **(h)** The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

~~(f)~~ **(i)** County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

~~(g)~~ **(j)** Notwithstanding any other law, ~~funds accumulated from the county adjusted gross income tax imposed under this section after:~~

- ~~(1) the completion of the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b);~~
- ~~(2) the payment or provision for payment of all the costs for activities described in subdivision (1);~~
- ~~(3) the redemption of bonds issued; and~~
- ~~(4) the final payment of lease rentals due under a lease entered into under this section;~~

money remaining in the criminal justice facilities revenue fund established under subsection (h) after the tax imposed by this section is terminated under subsection (f) shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 47. IC 6-3.5-1.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b), one-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 9 of this chapter, the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

- (1) One-fourth (1/4) on October 1 of the year in which the ordinance was adopted.
- (2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.
- (3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.
- (4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be

allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

- (1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;
- (2) revenue that must be used to pay the costs of:
 - (A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, **operating, or maintaining** facilities and buildings;
 - (B) debt service on bonds; or
 - (C) lease rentals;

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; or

(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. Except as provided by subsection (b), the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 48. IC 6-3.5-1.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

- (1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;
- (2) revenue that must be used to pay the costs of:
 - (A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, **operating, or maintaining** facilities and buildings;
 - (B) debt service on bonds; or
 - (C) lease rentals;

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this

chapter; or

(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX	
	REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 49. IC 6-3.5-6-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:**

(1) maintaining low property tax rates is essential to economic development; and

(2) the use of additional county option income tax revenues as provided in this section, rather than the use of property taxes, to fund:

(A) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A), except operation or maintenance;

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail

facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1), except operation or maintenance.

(d) If the county fiscal body makes a determination under subsection (c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

(g) If the county imposes an additional tax rate under this section, the department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 50. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:**

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or

- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), or (s), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), ~~or~~ (t), ~~or~~ (u), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:
 - (A) fifteen-hundredths percent (0.15%);
 - (B) two-tenths percent (0.2%); or
 - (C) twenty-five hundredths percent (0.25%); and
- (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
- (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one

and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%)."

Page 61, delete lines 1 through 33.

Page 62, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 51. IC 6-8.1-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

(1) members and employees of the department;

(2) the governor;

(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or

(4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

(1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and

(2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family and children, and to any county director of family and children located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying

educational loans owed to an institution of higher education may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved institutions of higher learning (as defined by IC 20-12-21-3(2)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor, and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

- (1) the state agency shows an official need for the information; and
- (2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(h) may be released solely for tax collection purposes to township assessors.

(h) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(j) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(l) This section does not apply to:

- (1) the beer excise tax (IC 7.1-4-2);
- (2) the liquor excise tax (IC 7.1-4-3);
- (3) the wine excise tax (IC 7.1-4-4);
- (4) the hard cider excise tax (IC 7.1-4-4.5);
- (5) the malt excise tax (IC 7.1-4-5);
- (6) the motor vehicle excise tax (IC 6-6-5);
- (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- (8) the fees under IC 13-23.

(m) The name and business address of retail merchants within each county that sell tobacco products may be released to the division

of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.

(n) Information included in a return under IC 6-3-4-1.5 may be released to the county auditor of the county in which the real property referred to in that section is located."

Page 188, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 69. IC 21-2-15-11, AS AMENDED BY P.L.246-2005, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) Except as provided in **IC 6-1.1-18-12** and subsection ~~(c)~~, **(b)**, to provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.

(b) The maximum property tax rate levied by each school corporation must be adjusted each time a general reassessment of property takes effect. The adjusted property tax rate becomes the new maximum property tax rate for the levy for property taxes first due and payable in each year:

- (1) after the general reassessment for which the adjustment was made takes effect; and**
- (2) before the next general reassessment takes effect.**

(c) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0);**
- (B) The result of the STEP TWO percentage minus the STEP FIVE percentage.**

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to

~~each school corporation:~~

~~(c)~~ **(b)** For a year in which a school corporation uses money from the school corporation's capital projects fund to pay for costs described in section 4(l) of this chapter, the school corporation may impose a property tax rate that exceeds the rate described in subsection (a). The amount by which the property tax rate may exceed the rate described in subsection (a) equals the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the school corporation's expenditures under section 4(l) of this chapter for the calendar year.

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) the school corporation's assessed valuation for the year.

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one hundred (100).".

Page 190, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 71. IC 21-3-1-7-7, AS AMENDED BY P.L.246-2005, SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. **(a)** If a computation under this chapter results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

(1) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001).

(2) All tax levies shall be computed by rounding the levy to the nearest dollar amount (\$1).

(3) All tuition support distributions shall be computed by rounding the tuition support distribution to the nearest cent (\$0.01).

(4) If a calculation is not covered by subdivision (1), (2), or (3), the result of the calculation shall be rounded to the nearest ten-thousandth (.0001).

(b) The department of local government finance, after consulting with the department of education, shall adjust the following each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5 and each time a general reassessment of real property takes effect under IC 6-1.1-4-4 to eliminate the effects of the annual adjustment or general reassessment:

(1) Each school corporation's target general fund property tax rate determined under section 6.8 of this chapter.

(2) Each school corporation's previous year general fund property tax rate imposed for the school corporation's tuition support levy.

(3) The maximum permissible general fund property tax rate computed under IC 6-1.1-19-1.5 for each school corporation.

The adjusted rates shall be used in determining state tuition support and general fund levies in each year beginning with the year in which the adjustment first applies."

Page 192, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 74. IC 33-26-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~The office of~~ **Subject to the approval of the attorney general, shall represent a township assessor, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county**

property tax assessment board of appeals that:

(1) made an original determination that is the subject of a judicial proceeding in the tax court; and

(2) is a defendant in a judicial proceeding in the tax court;

may elect to be represented in the judicial proceeding by an attorney selected and paid by the defendant, the township, or the county."

Page 196, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 80. IC 36-1-12-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. (a) This section applies to a public works project constructed by, for, or on behalf of the Indiana stadium and convention building authority created by IC 5-1-17-6.**

(b) Notwithstanding section 3 of this chapter, the board may purchase supplies and may enter into a contract for the installation of supplies in the manner provided in IC 5-22-10-13.5, when the board awarding the contract for the public work determines in writing that proceeding under this section is in the best interest of the project.

SECTION 81. IC 36-1-12-13.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. **(a) Except as provided in subsection (f), this section applies to contracts for public work only if the cost of the public work is estimated to be more than one hundred thousand dollars (\$100,000).**

(b) The contractor shall execute a payment bond to the appropriate political subdivision or agency, approved by and for the benefit of the political subdivision or agency, in an amount equal to the contract price. The payment bond is binding on the contractor, the subcontractor, and their successors and assigns for the payment of all indebtedness to a person for labor and service performed, material furnished, or services rendered. The payment bond must state that it is for the benefit of the subcontractors, laborers, material suppliers, and those performing services.

(c) The payment bond shall be deposited with the board. The payment bond must specify that:

(1) a modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings, or profile;

(2) a defect in the public work contract; or

(3) a defect in the proceedings preliminary to the letting and awarding of the public work contract;

does not discharge the surety. The surety of the payment bond may not be released until one (1) year after the board's final settlement with the contractor.

(d) A person to whom money is due for labor performed, material furnished, or services provided shall, within sixty (60) days after the completion of the labor or service, or within sixty (60) days after the last item of material has been furnished, file with the board signed duplicate statements of the amount due. The board shall forward to the surety of the payment bond one (1) of the signed duplicate statements. However, failure of the board to forward a signed duplicate statement does not affect the rights of a person to whom money is due. In addition, a failure to forward the statement does not operate as a defense for the surety.

(e) An action may not be brought against the surety until thirty (30) days after the filing of the signed duplicate statements with the

board. If the indebtedness is not paid in full at the end of that thirty (30) day period the person may bring an action in court. The court action must be brought within sixty (60) days after the date of the final completion and acceptance of the public work.

(f) This subsection applies to contracts for a public work entered into by, for, or on behalf of the Indiana stadium and convention building authority created by IC 5-1-17-6. The board awarding the contract for the public works project may waive the payment bond requirements of this section if the board, after public notice and hearing, determines:

(1) that:

(A) an otherwise responsive and responsible bidder is unable to provide the payment bond required by this section; or

(B) the cost or coverage of the payment bond is not in the best interest of the project; and

(2) that an adequate alternative is provided through a letter of credit, additional retainage, or other sufficient protective mechanism.

SECTION 82. IC 36-1-12-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section applies to public work contracts in excess of one hundred thousand dollars (\$100,000) for projects other than highways, roads, streets, alleys, bridges, and appurtenant structures situated on streets, alleys, and dedicated highway rights-of-way. This section also applies to a lessor corporation qualifying under IC 21-5-11 or IC 21-5-12 or any other lease-back arrangement containing an option to purchase, notwithstanding the statutory provisions governing those leases.

(b) A board that enters into a contract for public work, and a contractor who subcontracts parts of that contract, shall include in their respective contracts provisions for the retainage of portions of payments by the board to contractors, by contractors to subcontractors, and for the payment of subcontractors. At the discretion of the contractor, the retainage shall be held by the board or shall be placed in an escrow account with a bank, savings and loan institution, or the state as the escrow agent. The escrow agent shall be selected by mutual agreement between board and contractor or contractor and subcontractor under a written agreement among the bank or savings and loan institution and:

(1) the board and the contractor; or

(2) the subcontractor and the contractor.

The board shall not be required to pay interest on the amounts of retainage that it holds under this section.

(c) To determine the amount of retainage to be withheld, the board shall:

(1) withhold no more than ten percent (10%) of the dollar value of all work satisfactorily completed until the public work is fifty percent (50%) completed, and nothing further after that; or

(2) withhold no more than five percent (5%) of the dollar value of all work satisfactorily completed until the public work is substantially completed.

If upon substantial completion of the public work minor items remain uncompleted, an amount computed under subsection (f) of this section shall be withheld until those items are completed.

(d) The escrow agreement must contain the following provisions:

(1) The escrow agent shall invest all escrowed principal in obligations selected by the escrow agent.

(2) The escrow agent shall hold the escrowed principal and income until receipt of notice from the board and the contractor, or the contractor and the subcontractor, specifying the part of the escrowed principal to be released from the escrow and the person to whom that portion is to be released. After receipt of the notice, the escrow agent shall remit the designated part of escrowed principal and the same proportion of then escrowed income to the person specified in the notice.

(3) The escrow agent shall be compensated for the agent's services. The parties may agree on a reasonable fee comparable with fees being charged for the handling of escrow accounts of similar size and duration. The fee shall be paid from the escrowed income.

The escrow agreement may include other terms and conditions consistent with this subsection, including provisions authorizing the escrow agent to commingle the escrowed funds with funds held in other escrow accounts and limiting the liability of the escrow agent.

(e) **Except as provided by subsection (i),** the contractor shall furnish the board with a performance bond equal to the contract price. If acceptable to the board, the performance bond may provide for incremental bonding in the form of multiple or chronological bonds that, when taken as a whole, equal the contract price. The surety on the performance bond may not be released until one (1) year after the date of the board's final settlement with the contractor. The performance bond must specify that:

(1) a modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings, or profile;

(2) a defect in the public work contract; or

(3) a defect in the proceedings preliminary to the letting and awarding of the public work contract;

does not discharge the surety.

(f) The board or escrow agent shall pay the contractor within sixty-one (61) days after the date of substantial completion, subject to sections 11 and 12 of this chapter. Payment by the escrow agent shall include all escrowed principal and escrowed income. If within sixty-one (61) days after the date of substantial completion there remain uncompleted minor items, an amount equal to two hundred percent (200%) of the value of each item as determined by the architect-engineer shall be withheld until the item is completed. Required warranties begin not later than the date of substantial completion.

(g) Actions against a surety on a performance bond must be brought within one (1) year after the date of the board's final settlement with the contractor.

(h) This subsection applies to public work contracts of less than two hundred fifty thousand dollars (\$250,000). The board may waive the performance bond requirement of subsection (e) and accept from a contractor an irrevocable letter of credit for an equivalent amount from an Indiana financial institution approved by the department of financial institutions instead of a performance bond. Subsections (e) through (g) apply to a letter of credit submitted under this subsection.

(i) This subsection applies to the Indiana stadium and convention building authority created by IC 5-1-17-6. The board awarding the contract for the public works project may waive the performance bond requirement of subsection (e) if the board, after public notice and hearing, determines:

(1) that:

(A) an otherwise responsive and responsible bidder is unable to provide the performance bond required by subsection (c); or

(B) the cost or coverage of the performance bond is not in the best interest of the project; and

(2) that an adequate alternative is provided through a letter of credit, additional retainage, or other sufficient protective mechanism."

Page 208, line 38, after "the" insert "financing, construction, acquisition, improvement, renovation, equipping,".

Page 208, line 38, after "operation" insert ",".

Page 208, line 39, delete "option" and insert "adjusted gross".

Page 208, line 41, after "the" insert "financing, construction, acquisition, improvement, renovation, equipping,".

Page 208, line 41, after "operation" insert ",".

Page 209, line 1, delete "option" and insert "adjusted gross".

Page 214, line 27, delete "expressed as a percentage".

Page 214, line 34, delete "hundred fifty percent (150%)." and insert "and one-half (1.5)".

Page 216, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 118. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] (a) As used in this SECTION:

(1) "department" refers to the department of local government finance;

(2) "maximum levy" means the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3;

(3) "municipal growth rate" means the rate of population growth of a municipality, which equals the quotient expressed as a percentage of:

(A) the remainder of:

(i) the estimated 2006 population of the municipality as determined by the municipality; minus

(ii) the population of the municipality as determined in the 2000 federal decennial census; divided by

(B) the population of the municipality as determined in the 2000 federal decennial census; and

(4) "municipality" has the meaning set forth in IC 36-1-2-11.

(b) For purposes of this SECTION, the statewide growth rate is two and six-tenths percent (2.6%).

(c) This SECTION applies to a municipality:

(1) for which the municipal growth rate is more than twice the statewide growth rate;

(2) that experienced a reduction of at least forty-four percent (44%) in its maximum levy for property taxes first due and payable in 2004 as compared to its maximum levy for property taxes first due and payable in 2003;

(3) that did not appeal in 2004 to the department for an excess levy for property taxes first due and payable in 2005;

(4) that appealed before September 20, 2005, to the department for an excess levy for property taxes first due and payable in 2006 in accordance with IC 6-1.1-18.5-14;

(5) that received a favorable recommendation from the local government tax control board, following a public hearing, with respect to the appeal referred to in subdivision (4); and

(6) that received from the department on December 7, 2005, a denial of the appeal referred to in subdivision (4).

(d) Notwithstanding IC 6-1.1-18.5-3, the maximum levy for property taxes first due and payable in 2007 for a municipality described in subsection (c) is equal to the sum of:

(1) the ad valorem property tax levy approved by the department for the municipality for property taxes first due and payable in 2006; plus

(2) two million five hundred thousand dollars (\$2,500,000).

(e) This SECTION expires January 1, 2008.

SECTION 119. [EFFECTIVE UPON PASSAGE] (a) With respect to personal property returns for the assessment date in 2006, the department of local government finance shall:

(1) notify county assessors and township assessors of the requirements of IC 6-1.1-3-9(b), as added by this act; and

(2) by the means the department determines to be appropriate, disseminate information to the public concerning:

(A) those requirements; and

(B) the requirement under subsection (b).

(b) A taxpayer that fails to include on the taxpayer's:

(1) personal property return under IC 6-1.1-3-7(a);

(2) extended personal property return under IC 6-1.1-3-7(b); or

(3) consolidated personal property return under IC 6-1.1-3-7(d);

for the assessment date in 2006 the information required under IC 6-1.1-3-9(b), as added by this act, shall file an amended return under IC 6-1.1-3-7.5 to include that information.

(c) This SECTION expires January 1, 2008.

SECTION 120. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies to a taxpayer that:

(1) is an entity that was established for the purpose of providing youths with the opportunity to play supervised and organized baseball against other youths;

(2) before 2002 qualified as a nonprofit corporation under Indiana law;

(3) during 2002, 2003, 2004, and 2005 did not maintain its status as a nonprofit corporation under Indiana law due to the failure to make certain filings;

(4) regained its status as a nonprofit corporation beginning in 2006; and

(5) was assessed by the department of state revenue for delinquent state gross retail taxes owed for 2002, 2003, 2004, and 2005 and has paid those assessments.

(b) A taxpayer described in subsection (a) is entitled to a refund of the payments described in subsection (a)(5) to the extent that the state gross retail taxes for which the assessments were made would not have been owed if the taxpayer had maintained its status as a nonprofit corporation during the years for which the assessments were made.

(c) A taxpayer that is entitled to a refund under this SECTION shall claim the refund under IC 6-8.1-9 in the manner prescribed by the department of state revenue.

(d) This SECTION expires July 1, 2008."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 24, 2006.)

KENLEY

Motion prevailed.

SENATE MOTION
(Amendment 1001-9)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 62, line 32, after "dogs" insert **"at least six (6) months of age"**.

Page 62, line 36, delete "The amount of the" and insert **"A"**.

Page 62, line 36, delete "is equal to" and insert **"may not exceed"**.

Page 62, between lines 37 and 38, begin a new paragraph and insert:

"(c) The maximum amount of county option dog tax that may be imposed under this section per year for dogs kept in kennels for breeding, boarding, or training purposes or for sale is the amount equal to the lesser of:

(1) the total amount of county option dog tax calculated without regard to this subsection; or

(2) for a kennel consisting of:

(A) at least fifteen (15) dogs at least six (6) months of age, thirty dollars (\$30); or

(B) less than fifteen (15) dogs at least six (6) months of age, twenty dollars (\$20)."

Page 62, delete lines 41 through 42, begin a new paragraph and insert:

"Sec. 4. (a) The department of local government finance shall prescribe a county option dog tax return form for use in counties that adopt the county option dog tax.

(b) If a county option dog tax adopted under section 2 of this chapter is in effect in a county, the county treasurer shall:

(1) make blank county option dog tax return forms available to the public;

(2) include a county option dog tax return form with every statement mailed to a person under IC 6-1.1-22-8(a)(1) that is preprinted with:

(A) the name of the person or persons liable for the county option dog tax, if known; and

(B) the names of the dogs subject to the tax imposed under section 2 of this chapter, if known;

as reported on the most recent county option dog tax return received by the county treasurer, if any, before the statements described under IC 6-1.1-22-8 are prepared for mailing.

(c) If a county option dog tax adopted under section 2 of this chapter is in effect in a county, a person who keeps or harbors a dog in the county shall:

(1) complete an accurate county option dog tax return that specifies the number of dogs kept or harbored by the person in or near the person's premises in the county that are at least six (6) months of age on January 1 of the calendar year; and

(2) submit the return described in subdivision (1) to the county treasurer together with payment of the county option dog tax owed;

on or before May 10 of each year."

Page 63, delete lines 1 through 5.

Page 63, line 11, after "research" insert **"and education"**.

Page 63, line 21, after "research" insert **"and education"**.

Page 63, line 25, delete "shall issue a warrant to the" and insert **"and the county treasurer shall include the county option dog tax revenue received by the county treasurer in the settlement**

procedures described in IC 6-1.1-27. Amounts accumulated in the county canine research and education account shall be paid to the state treasurer in accordance with the procedure described under IC 6-1.1-27-3."

Page 63, delete lines 26 through 36.

Page 64, between lines 2 and 3, begin a new line block indented and insert:

"(4) To reimburse people who have undergone rabies post exposure prophylaxis."

Page 64, line 7, after "research" insert **"and education"**.

Page 64, line 10, after "research" insert **"and education"**.

Page 64, line 11, after "research" insert **"and education"**.

Page 64, line 19, after "research" insert **"and education"**.

Page 64, line 20, after "research" insert **"and education"**.

Page 64, line 22, after "research" insert **"and education"**.

Page 64, line 23, delete "January 1 and July" and insert **"August"**.

Page 64, line 24, delete "balance" and insert **"amount"**.

Page 64, line 24, after "research" insert **"and education"**.

Page 64, line 28, after "research" insert **"and education"**.

Page 64, delete lines 29 through 41, begin a new paragraph and insert:

"Sec. 8. After January 1, 2007, a county, or a municipality (as defined in IC 36-1-2-11) of the county, may not adopt an ordinance implementing a licensing scheme for dogs unless the county option dog tax under this chapter is in effect in the county."

Page 185, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 54. IC 15-5-7-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The following losses and expenses are chargeable to the county in which an attack or exposure occurs:

(1) Damages, less compensation by insurance or otherwise, sustained by owners of the following stock, fowl, or game killed, maimed, or damaged by dogs:

(A) Sheep.

(B) Cattle.

(C) Horses.

(D) Swine.

(E) Goats.

(F) Mules.

(G) Chickens.

(H) Geese.

(I) Turkeys.

(J) Ducks.

(K) Guineas.

(L) Tame rabbits.

(M) Game birds and game animals held in captivity under authority of a game breeder's license issued by the department of natural resources.

(N) Bison.

(O) Farm raised cervidae.

(P) Ratitae.

(Q) Camelidae.

(2) The expense of rabies post exposure prophylaxis that is incurred by any person who is bitten by or exposed to a dog known to have rabies.

(b) A person requiring the treatment described in subsection (a)(2) may select the person's own physician.

(c) Damages are not chargeable to a county under this section for sheep except those claims in which individual damage exists or is shown.

(d) A county auditor shall establish procedures in accordance with the requirements of subsection (a) and section 4 of this chapter by which claimants may submit claims to the county auditor.

(e) A county auditor who:

(1) receives a verified claim under subsection (a) from a claimant; and

(2) is satisfied that the claim meets the requirements of subsection (a) and section 4 of this chapter;

shall immediately issue a warrant or check to the claimant for the verified amount of the claim. A county auditor who is not satisfied that a claim meets the requirements of subsection (a) and section 4 of this chapter shall promptly notify the claimant.

(f) A person whose claim under subsection (a) is denied by a county auditor may file an action in a court with jurisdiction to determine whether the county auditor acted in conformance with the requirements of this section and section 4 of this chapter. If the court determines that the county auditor failed to comply with the requirements of this section or section 4 of this chapter in evaluating the person's claim, the court may fashion an appropriate remedy, including an order directed to the county auditor to reconsider the person's claim.

SECTION 55. IC 15-5-7-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: **Sec. 4. (a) An owner desiring to make a claim under section 3(a)(1) of this chapter must do the following:**

(1) Not more than seventy-two (72) hours after the time of the loss, notify one (1) of the following having jurisdiction in the location where the loss occurred:

(A) A law enforcement officer.

(B) An officer of a county or municipal animal control center, shelter, or similar impounding facility.

(2) Not more than twenty (20) days after the time of the loss, report the loss to the county auditor as follows:

(A) Under oath, the owner shall state:

(i) the number, age, and value of the stock, fowl, or game; and

(ii) the damages, less compensation by insurance or otherwise, sustained.

(B) In an affidavit, the owner must be joined by two (2) disinterested and reputable freeholders residing in the township in which the stock, fowl, or game were killed, maimed, or damaged. The affidavit must state that the freeholders are:

(i) disinterested; and

(ii) not related by blood or marriage to the claimant.

(C) An appraisal of the stock, fowl, or game that were killed, maimed, or damaged may not exceed the actual cash value of the stock, fowl, or game. As it applies to ratitae, cash value may not exceed the slaughter value.

(D) The owner shall provide verification of the loss by an

officer under subdivision (1).

(E) Payment for a loss for property owned by a claimant on the last property tax assessment date may not be paid if the property was not reported by the owner for assessment purposes at that time.

(b) In addition to the requirements of subsection (a), the claimant, if requested to do so by the county auditor or a person designated by the county auditor, must grant the right of subrogation to the county for the total amount paid on the claim to the claimant by the county on a form prescribed by the county auditor.

(c) An officer who receives notice under subsection (a)(1) shall visit the scene of the loss, verify the loss in writing, and mark each killed, maimed, or damaged animal so that the animal can support only one (1) claim under this chapter.

(d) A person desiring to make a claim under section 3(a)(2) of this chapter must provide the county auditor with documentation that the person, or a person for whom the claimant is financially responsible, underwent rabies post exposure prophylaxis."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 24, 2006.)

JACKMAN

Motion prevailed.

SENATE MOTION (Amendment 1001-14)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 1 delete lines 1 through 12.

Page 15, reset in roman lines 15 through 35.

Page 15, delete lines 36 through 40.

Page 15, line 41, reset in roman "(D)".

Page 15, line 41, delete "(B) that part of".

Page 15, line 41, reset in roman "total amount of".

Page 16, line 2, reset in roman "after December 31, 1983;"

Page 16, line 2, delete "before January".

Page 16, delete line 3.

Page 16, line 4, reset in roman "not".

Page 16, line 5, reset in roman "and".

Page 16, line 5, delete "or".

Page 16, line 6, reset in roman "does not constitute".

Page 16, line 6, delete "constitutes".

Page 16, line 9, reset in roman "minus".

Page 16, line 9, delete "and".

Page 16, reset in roman lines 10 through 16.

Page 16, line 17, reset in roman "(i)".

Page 16, line 17, delete "(C) that part of".

Page 16, line 18, reset in roman "the stated assessment year".

Page 16, line 18, delete "a cumulative building".

Page 16, line 19, delete "fund established or reestablished".

Page 16, line 20, delete "under".

Page 16, line 21, reset in roman "for a cumulative building fund whose".

Page 16, reset in roman lines 22 through 23.

Page 16, line 24, reset in roman "1983 stated assessment year; minus".

Page 16, line 24, delete "(before its repeal)".

Page 16, line 25, reset in roman "(ii)".
 Page 16, line 25, delete "to".
 Page 16, line 25, reset in roman "total".
 Page 16, line 25, delete "extent of the amount of".
 Page 16, line 26, delete "for the fund".
 Page 16, line 26, reset in roman "stated".
 Page 16, line 27, delete ";".
 Page 16, line 27, reset in roman "under the authority of IC 21-2-6 (repealed)".
 Page 16, reset in roman lines 28 through 35.
 Page 16, line 36, reset in roman "(iii)".
 Page 16, line 36, reset in italic "IC 36-12-12".
 Page 16, line 36, reset in roman "for a library capital projects".
 Page 16, reset in roman line 37.
 Page 16, line 38, reset in roman "(iv)".
 Page 16, line 38, reset in italic "IC 36-10-13-7".
 Page 16, line 38, reset in roman "for an art association".
 Page 16, reset in roman lines 39 through 42.
 Page 17, reset in roman lines 1 through 42.
 Page 18, line 3, delete ". plus" and insert "; plus".
 Page 18, reset in roman lines 4 through 17.
 Page 22, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-21-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: **Sec. 2.7. Notwithstanding IC 6-1.1-20.9 and this chapter, the maximum amount that may be distributed under sections 4 and 10 of this chapter to a particular county is equal to the amount distributed to the county under sections 4 and 10 of this chapter to replace revenue lost from the granting of homestead credits under IC 6-1.1-20.9 and property tax replacement credits under section 5 of this chapter against tax liability imposed for the March 1, 2005, and January 15, 2006, assessment dates. If in any year, without applying this section, the amount determined for a county under IC 6-1.1-20.9 and this chapter exceeds the amount determined under this section, the property tax replacement fund board shall reduce the credit percentages under IC 6-1.1-20.9 and this chapter proportionately so that the distributions equal the amount determined under this section.**"

Page 23, delete lines 1 through 37.
 Page 62, line 1, delete "(repealed);" and insert ";".
 Page 62, line 1, after "(IC 6-3.5-6)" insert ";".
 Page 62, line 2, delete "(repealed);".
 Page 62, line 2, after "(IC 6-3.5-7)" insert ";".
 Page 62, line 3, before "the municipal" delete "(repealed);".
 Page 65, line 3, delete "COUNTY INCOME TAX" and insert "**PROPERTY TAX FREEZE REPLACEMENT REVENUES**".
 Page 65, between lines 3 and 4, begin a new paragraph and insert:
Chapter 1. Application; Purpose

Sec. 1. The purpose of this article is to provide counties with an option to reduce the amount of the controlled property taxes imposed in the county and provide taxing units with an alternative source of tax revenue to replace revenue lost as the result of the implementation of the following:

- (1) A controlled property tax freeze under IC 6-11-8.
- (2) A supplemental reduction in controlled property taxes under IC 6-11-9.

Sec. 2. This article applies to a county and the taxing units in a county only if an ordinance:

- (1) freezing controlled property taxes; and
- (2) imposing a county income tax to replace the lost revenue;

is adopted under IC 6-11-8.

Sec. 3. A county income tax imposed under this article is in addition to any tax imposed under the following:

- (1) IC 6-3.5-1.1 (county adjusted gross income tax).
- (2) IC 6-3.5-6 (county option income tax).
- (3) IC 6-3.5-7 (county economic development tax).

Sec. 4. A county freeze limit imposed under this article applies to all property taxes imposed in the adopting county except property taxes designated in this chapter as excluded property taxes.

Sec. 5. A property tax described in IC 6-1.1-17-16.7, IC 6-1.1-18-12, or IC 6-1.1-41-1 is an excluded property tax.

Sec. 6. A property tax imposed for any of the following is an excluded property tax:

- (1) A school bus replacement fund (IC 21-2-11.5).
- (2) A referendum tax levy fund (IC 21-2-11.6).
- (3) A school capital projects fund (IC 21-2-15).
- (4) A special education preschool fund (IC 21-2-17).
- (5) A racial balance fund (IC 6-1.1-19-10 (repealed) or IC 21-2-22).
- (6) A cultural institution (IC 20-5-17.5-4 (repealed) or IC 36-10-13-8).

Sec. 7. A:

- (1) property tax imposed under IC 6-1.1-21.2-12; or
- (2) special assessment imposed under IC 12-19-1.5-9;

for an allocation area is an excluded property tax.

Sec. 8. (a) A property tax imposed for any of the following funds is an excluded property tax:

- (1) A fund established under IC 21-2-4-2 or IC 36-9-15-10.
- (2) A fund primarily established to pay or fund loans or bonds authorized under IC 12-19-5-11, IC 12-19-7-19, or IC 12-19-7.5-18.
- (3) A fund established to pay or fund bond indebtedness or lease rentals with a term of at least five (5) years.
- (4) Any other debt service, debt payment, sinking, loan, bond, lease rental, fund established by a taxing unit to repay or fund a long term liability, as determined by the department of local government finance."

Page 65, line 4, delete "1." and insert "2."

Page 65, delete lines 7 through 9, begin a new paragraph and insert:

"Sec. 2. "Adopting county" refers to a county in which an ordinance to freeze controlled property taxes has been adopted under IC 6-11-8."

Page 65, line 11, after "IC 6-3-1-3.5." insert "However, in the case of a taxpayer who is an out-of state resident, the term includes only adjusted gross income derived from the taxpayer's principal place of business or employment."

Page 65, delete lines 12 through 42, begin a new paragraph and insert:

"Sec. 4. "Allocation area" has the meaning set forth in IC 6-1.1-21.2-3.

Sec. 5. "C corporation" has the meaning set forth in IC 6-1.1-21-2.

Sec. 6. "Controlled property tax" means an ad valorem property tax, other than an excluded property tax, that is imposed by a taxing unit in an adopting county.

Sec. 7. "Controlled total tax levy" means the sum of the controlled property taxes and increment raised in a particular year for a particular fund, purpose, or group of funds or purposes.

Sec. 8. "Corporate tangible property" means tangible property for which a C Corporation is directly or indirectly liable for controlled property taxes.

Sec. 9. "Council" refers to a county council or a county income tax council that has adopted an ordinance under IC 6-11-8.

Sec. 10. "County council" has the meaning set forth in IC 6-3.5-1.1-1.

Sec. 11. "County freeze limit" means the part of the maximum permissible total county property tax levy in a county that does not exceed the amount of controlled property taxes imposed in the county in the freeze limit determination year, as:

- (1) determined before the application of any credits against property tax liability permitted by law; and
- (2) certified by the department of local government finance.

Sec. 12. "County income tax" refers to a county income tax imposed in an adopting county under this article.

Sec. 13. "County income tax council" has the meaning set for in IC 6-3.5-6-1.

Sec. 14. "County taxpayer" refers to:

- (1) a resident; or
- (2) an out-of-state resident;

on which a county income tax is imposed in an adopting county.

Sec. 15. "Excluded property tax" refers to a property tax designated as an excluded property tax under IC 6-11-1.

Sec. 16. "Fiscal officer" has the meaning set forth in IC 36-1-2-7.

Sec. 17. "Freeze limit determination year" refers to the year for which a county's county freeze limit is calculated.

Sec. 18. "Indirectly liable" has the meaning set forth in IC 6-1.1-21-2.

Sec. 19. "Increment" means the part of the county income tax imposed for a particular year to fund the greater of zero (0) or the difference between:

- (1) the maximum permissible total county property tax levy in the county; and
- (2) the county freeze limit in the county.

Sec. 20. "Maximum permissible total county property tax levy" the total amount of controlled property taxes that could be imposed in a year in a county by the taxing units that are located in any part in the county, if a county freeze limit did not apply to the county, as determined:

- (1) after the application of all property tax levy limits and property tax rate limits that are imposed by a law outside this article; and
- (2) before the application of any credits against property tax liability permitted by law.

Sec. 21. "Noncorporate tangible property" means tangible property for which a C Corporation is not directly or indirectly

liable for controlled property taxes.

Sec. 22. "Out-of-state resident" means an individual:

- (1) who is not a resident of any county in Indiana on the residency determination date in the individual's taxable year; and
- (2) whose principal place of business or employment is in the particular county in Indiana on the residency determination date in the individual's taxable year.

Sec. 23. "Replacement amount" means the part of the:

- (1) increment; and
- (2) supplement;

imposed under this article to replace revenue lost to a taxing unit as a result of the property tax reductions granted under this article.

Sec. 24. "Residency determination date" refers to the date in a taxpayer's taxable year on which the taxpayer's obligation to pay county income taxes imposed in a particular county is determined.

Sec. 25. "Resident" means an individual who is a resident of a particular county on the residency determination date in the individual's taxable year.

Sec. 26. "Supplement" means the part of the county income tax imposed under this article imposed as a credit to reduce the amount of controlled property taxes imposed in the county below the county freeze limit for the county and replace the revenue lost to taxing units as a result of the granting of the credit.

Sec. 27. "Taxing unit" means a political subdivision that:

- (1) is a taxing unit (as defined in IC 6-1.1-1-21); or
- (2) would be a taxing unit (as defined in IC 6-1.1-1-21) if this article did not limit the political subdivision's authority to impose a controlled property tax.

Sec. 28. "Taxing unit's freeze limit" for a particular taxing unit means the part of the controlled tax levies imposed by the tax unit for the freeze limit determination year, as:

- (1) determined before the application of any credits against property tax liability permitted by law; and
- (2) certified by the department of local government finance.

Sec. 29. "Taxpayer" refers to an individual who has a county income tax liability under this article.

Chapter 3. Interpretation of Laws Governing Property Taxes; Maximum Tax Rates Under This Article

Sec. 1. Except for the manner in which:

- (1) taxes are imposed and tax rates are computed under this article; and
- (2) replacement amounts are distributed to taxing units;

county income taxes imposed under this article shall be treated as if the county income taxes were property taxes. However, a taxing unit is not eligible for a distribution under IC 6-1.1-21 to reduce or replace taxes imposed under this article.

Sec. 2. The department of local government finance shall allocate a taxing unit's freeze limit among the taxing unit's purposes and funds in proportion to the controlled property taxes imposed for the purposes and funds in the freeze limit determination year.

Sec. 3. Laws limiting or permitting a maximum:

- (1) controlled property tax levy; or
- (2) controlled property tax rate;

in an adopting county for a particular fund or purpose shall be

construed as limiting the controlled property taxes that may be imposed for the fund or purpose to the amount of the taxing unit's levy freeze limit that has been allocated to the fund or purpose.

Sec. 4. Any excessive levy permitted by law that exceeds the limits otherwise imposed on controlled property taxes shall be payable from the county income tax increment to the extent that the amount of the permitted excessive levy would exceed a taxing unit's freeze limit.

Sec. 5. Any law that permits or requires a taxing unit in an adopting county to impose or appropriate money from a controlled property tax for a fund or purpose shall be construed as requiring or permitting a taxing unit to impose or appropriate a combination of controlled property taxes and replacement amounts to meet the requirements of the law.

Sec. 6. Any limitations imposed by law that restrict:

- (1) the amount of a controlled property tax levy that may be imposed; or
- (2) the rate at which a controlled property tax may be imposed;

for a particular fund or purpose shall be construed to limit the sum of the controlled property taxes and county income tax increment that may be imposed for the fund or purpose.

Sec. 7. The maximum controlled total levy that may be imposed by or for a taxing unit in a year shall not be construed to be reduced if in the immediately preceding year the taxing unit:

- (1) did not impose the maximum controlled property tax permitted by law;
- (2) did not budget the maximum county income tax increment that the taxing unit could have budgeted by law; or
- (3) saved part of the taxing unit's distribution of controlled property taxes, county income tax supplement, or county income tax increment in a rainy day fund.

Sec. 8. The department of local government finance shall prescribe procedures and standards for applying this article to:

- (1) a calculation permitted or required by law that uses a property tax rate or property tax levy; and
- (2) any other law that refers to a property tax levy or property tax rate.

Chapter 4. Exchange of Information

Sec. 1. The department of state revenue, department of education, and budget agency shall assist the department of local government finance in carrying out the department of local government finance's responsibilities under this article.

Sec. 2. Forms, notices, ordinances, and resolutions required or permitted under this article must be prepared and used in the form and in the manner prescribed by the department of local government finance and approved by the state board of accounts.

Sec. 3. The department of local government finance shall establish a schedule for the distribution to taxing units of information that the department of local government finance determines will assist in the implementation of this article. The schedule may provide for the distribution of revisions to data and calculations previously distributed to taxing units.

Sec. 4. The department of local government finance, after reviewing the recommendations of the budget agency, shall

establish a schedule to regularly provide revenue forecasts to taxing units.

Sec. 5. In the notice published under IC 6-1.1-17-3, a taxing unit shall include an estimate of the amount of the county income tax increment and the county income tax supplement that will be expended or saved by the taxing unit in the ensuing year.

Sec. 6. When a taxing unit submits the taxing unit's budget to the county auditor under IC 6-1.1-17-5 or IC 6-1.1-17-5.6, the taxing unit shall submit with the budget a description of the amount of:

- (1) the county income tax increment and the county income tax supplement that taxing unit intends to expend in the ensuing year;
- (2) the county income tax increment and the county income tax supplement that taxing unit intends to save in the ensuing year; and
- (3) any other information determined necessary by the department of local government finance to set county income tax rates for the county in the ensuing year.

Sec. 7. In the notice published under IC 6-1.1-17-12, the county auditor shall include the following:

- (1) A description of the county income tax increment rate imposed for the current year and an estimate of the amount of the county income tax increment that will be distributed to each taxing unit in the county in the current year.
- (2) A description of the county income tax supplement rate imposed for the current year and an estimate of the amount of the county income tax supplement that will be distributed to each taxing unit in the county in the current year.
- (3) An estimate of the county income tax increment rate for the ensuing year that must be imposed in the county to fund the total of all budgets adopted by the taxing units in the county, as adjusted by the county board of tax adjustment or the county auditor under IC 6-1.1-17, and an estimate of the amount of the county income tax increment that will be distributed to each taxing unit in the county in the ensuing year.
- (4) A description of the county income tax supplement rate that will be imposed for the ensuing year and an estimate of the amount of the county income tax supplement that will be distributed to each taxing unit in the county in the ensuing year.

Sec. 8. When the county auditor certifies a taxing unit's tax rates, tax levies, and budgets to the department of local government finance under IC 6-1.1-17, the county auditor shall certify:

- (1) the county income tax increment in the ensuing year that is needed to fund each taxing unit's budget (including any rainy day fund deposits);
- (2) the amount by which the county income tax increment certified under subdivision (1) exceeds the maximum permissible county income tax increment for the ensuing year, if any;
- (3) the estimated county increment income tax rate that must be imposed in the county in the ensuing year to fund the sum of each taxing unit's county income tax increment for the ensuing year;

(4) the county income tax supplement rate established for the county for the ensuing year; and

(5) any other information determined necessary by the department of local government finance to set county income tax rates for the county in the ensuing year.

Sec. 9. The department of state revenue shall conduct a program to provide employers and taxpayers with adequate information for the employer or taxpayer to:

(1) determine the total county income tax rate that applies to a particular adopting county; and

(2) identify the adopting county where a taxpayer has an obligation to pay county income tax.

Sec. 10. In the notice published under IC 6-1.1-22-4, the county treasurer shall give notice of the county's:

(1) county income tax increment rate; and

(2) county income tax supplement rate;

that is in effect in the county for the year."

Delete pages 66 through 70.

Page 71, line 1, delete "4." and insert "5."

Page 71, line 33, delete "5." and insert "6."

Page 72, line 7, delete "6." and insert "7."

Page 72, line 8, after "each" insert "adopting".

Page 72, line 29, delete "IC 6-11-7." and insert "IC 6-11-8."

Page 72, line 30, delete "IC 6-11-8." and insert "IC 6-11-9."

Page 72, delete line 31.

Page 73, line 13, after "a" insert "calendar".

Page 73, delete lines 15 through 42, begin a new paragraph and insert:

Chapter 8. Property Tax Freeze; County Income Tax Increment

Sec. 1. The:

(1) county income tax council, if the county option income tax is in effect on January 1 of the year in which the county acts under this chapter;

(2) county council, if the county adjusted gross income tax is in effect on January 1 of the year in which the county acts under this chapter; or

(3) county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2);

may adopt an ordinance to impose a complete freeze on the controlled property taxes imposed in the county on noncorporate tangible property, a partial freeze on the controlled property taxes imposed in the county on corporate tangible property, and impose a county income tax increment to replace the revenue lost to taxing units as a result of the application of the controlled property tax freeze.

Sec. 2. To freeze controlled property tax levies under this chapter, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

Sec. 3. (a) An ordinance adopted under this chapter before April 1 in a year (or in 2006, before June 1, 2006) applies to:

(1) controlled property taxes first due and payable; and

(2) the taxation of adjusted gross income earned;

in each year that follows the year in which the ordinance is adopted.

(b) An ordinance adopted after March 31 in a year (or in 2006, after May 31, 2006) applies to:

(1) controlled property taxes first due and payable; and

(2) the taxation of adjusted gross income earned;

in each year that follows the year in which the ordinance is adopted by at least two (2) years.

Sec. 4. An ordinance under this chapter must be adopted substantially in the following form:

"The _____ County _____ elects to impose a freeze on the controlled property taxes imposed by the taxing units in _____ County and imposes a county income tax on the county taxpayers of _____ County at the rate necessary to replace the revenue lost as a result of the application of the property tax freeze in the county. The freeze shall be a complete freeze of controlled property taxes imposed on noncorporate tangible property and a partial freeze on controlled property taxes imposed on corporate tangible property, as provided by law. "

Sec. 5. An ordinance adopted under this chapter may freeze controlled property tax levies by reference to the amount of the controlled property tax levies certified by the department of local government finance under IC 6-1.1-17-16 for any of the following freeze limit determination years:

(1) The year in which the ordinance is adopted.

(2) The year immediately preceding the year in which the ordinance is initially effective under section 3 of this chapter, if section 3(b) of this chapter applies.

(3) 2006.

Sec. 6. As soon as practicable after adopting an ordinance under this chapter, the governing body adopting the ordinance shall certify the ordinance to the following:

(1) The county auditor of each county in which any part of the taxing unit in the county is located.

(2) The fiscal officer of each taxing unit that is located in any part in the county.

(3) The department of local government finance.

Sec. 7. The department of local government finance shall provide copies of an ordinance received under section 6 of this chapter to the department of state revenue and the budget agency.

Sec. 8. An ordinance that is adopted in conformity with this chapter may not be amended, repealed, or otherwise rescinded. However, an ordinance may be amended to bring the ordinance into conformity with this chapter.

Sec. 9. Beginning with the first year in which an ordinance is effective under section 3 of this chapter:

(1) an additional property tax replacement credit is granted against the tax liability imposed on tangible property for controlled property taxes equal to the applicable percentage of the controlled total tax levies of all taxing units in the county that exceeds the county freeze limit; and

(2) a county income tax increment is annually imposed against the county taxpayers in the county at the rate necessary to replace the revenue lost to all taxing units in the county as a result of the granting of the property tax replacement credit.

Sec. 11. The applicable percentage that is applied under subdivision (1) to:

(1) noncorporate tangible property is one hundred percent (100%); and

(2) corporate tangible property is the percentage determined under STEP FOUR of the following formula:

STEP ONE: Determine the greater of zero (0) or the county income tax increment rate imposed in the county in the immediately preceding year.

STEP TWO: Divide the STEP ONE amount by two tenths (0.2).

STEP THREE: Determine the result of:

- (i) one percent (1%); multiplied by
- (ii) the STEP TWO amount.

STEP FOUR: Determine the result of:

- (i) One hundred percent (100%); minus
- (ii) the greater of the STEP THREE percentage or one percent (1%).

Sec. 12. The county increment income tax rate for an ensuing year is the tax rate determined under STEP FOUR of the following formula:

STEP ONE: Determine the sum of the county income tax increments to be raised in the county for the ensuing year by each of the taxing units in the county, as determined from the budgets and county income tax increments certified by the county auditor and adjusted by the department of local government finance before November 2 in the year immediately preceding the ensuing year.

STEP TWO: Determine the sum of:

- (A) the STEP ONE amount; plus
- (B) the amount of any excess levy appeals that are:
 - (i) granted by the department of local government finance for a taxing unit in the county before November 2 of the year immediately preceding the ensuing year or the later date approved by the department of local government finance;
 - (ii) payable from the county's increment; and
 - (iii) excess of the amount certified to the department of local government finance by the county auditor.

STEP THREE: Determine the adjusted gross income for the county taxpayers for the ensuing year, using the best forecast data available before November 1 immediately preceding the ensuing year or the later date approved by the department of local government finance.

STEP FOUR: Divide the STEP TWO amount by the STEP THREE amount, rounding to the nearest ten thousandth (.0001).

Sec. 13. The county income tax increment rate shall be determined based on the amount of tax liability that accrues in the accounting period in which the tax rate applies even if the full amount of tax is not due until the taxpayer files a final return for the taxpayer's taxable year.

Sec. 14. The county income tax increment rate shall be adjusted to eliminate the effects that an allocation area has on the county income tax increment that will be available to the taxing units in the county.

Sec. 15. The department of local government finance shall reduce the county increment tax rate that would otherwise be imposed in the county for a year to reflect the availability to the taxing unit of any of the following:

(1) An excess increment or supplement distribution to the taxing unit under IC 6-11-13-8.

(2) An excess increment or supplement distribution to the taxing unit under IC 6-11-13 for county income taxes imposed on adjusted gross income earned in a year preceding the ensuing year.

Sec. 16. The department of local government finance shall adjust the county income tax increment rate as necessary to eliminate any excess county income tax revenue that would otherwise result from the application of a partial freeze on the controlled property taxes of corporate tangible property.

Sec. 17. The department of local government finance, after reviewing the recommendation of the budget agency, shall certify the county income tax increment rate for a county for the ensuing year before November 2 immediately preceding the ensuing year or the later date approved by the department of local government finance. The county income tax increment rate shall be certified to the following:

- (1) The county auditor.
- (2) The county treasurer.
- (3) The fiscal office of each taxing unit in the county.
- (4) The department of state revenue.

Chapter 9. County Income Tax Supplement

Sec. 1. This chapter applies in a county only if the county is an adopting county.

Sec. 2. In addition to the property tax relief permitted under IC 6-10-8, the:

- (1) county income tax council, if the county option income tax is in effect on January 1 of the year in which the county acts under this chapter;
- (2) county council, if the county adjusted gross income tax is in effect on January 1 of the year in which the county acts under this chapter; or
- (3) county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2);

may adopt an ordinance to grant an additional property tax replacement credit against controlled property taxes imposed in the county and impose a county income tax supplement rate to replace the revenue lost to taxing units as a result of the property tax replacement credit.

Sec. 3. To adopt an ordinance under this chapter, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

Sec. 4. (a) An ordinance adopted under this chapter before April 1 in a year (or in 2006, before June 1, 2006) applies to:

- (1) controlled property taxes first due and payable; and
- (2) the taxation of adjusted gross income earned;

in each year that follows the year in which the ordinance is adopted.

(b) An ordinance adopted after March 31 in a year (or in 2006, after May 31, 2006) applies to:

- (1) controlled property taxes first due and payable;
- (2) and the taxation of adjusted gross income earned;

in each year that follows the year in which the ordinance is adopted by at least two (2) years.

Sec. 5. An ordinance under this chapter must be adopted substantially in the following form:

"The _____ County _____ elects to grant an additional property tax replacement credit against controlled property taxes imposed by the taxing units in _____ County on tangible property except tangible property on which a C Corporation is directly or indirectly liable for the tax liability beginning with controlled property taxes first due and payable in _____ and imposes an additional county income tax on the county taxpayers of _____ County at the rate of _____ percent (____%) to replace the revenue lost as a result of the granting of the additional property tax replacement credit".

Sec. 6. A county income tax supplement rate may be imposed in an increment of one tenth of one percent (0.1%). The maximum county income tax supplement rate that may be imposed in a county is one percent (1%).

Sec. 7. As soon as practicable after adopting an ordinance under this chapter, the governing body adopting an ordinance under this chapter shall certify the ordinance to the following:

- (1) The county auditor of each county in which any part of the taxing unit in the county is located.
- (2) The fiscal officer of each taxing unit that is located in any part in the county.
- (3) The department of local government finance.

Sec. 8. The department of local government finance shall provide copies of an ordinance received under section 7 of this chapter to the department of state revenue and the budget agency.

Sec. 9. An ordinance that is adopted in conformity with this chapter may not be repealed or otherwise rescinded. However, an ordinance may be amended to:

- (1) bring the ordinance into conformity with this chapter; or
- (2) increase the county income tax supplement rate in the county, if the maximum permissible county income tax supplement rate under section 6 of this chapter has not been imposed in the county.

An amendment under this section takes effect in the manner provided in section 4 of this chapter.

Sec. 10. In a year in which an ordinance under this chapter is in effect:

- (1) a county income tax supplement rate is imposed on the adjusted gross income of county income taxpayers in the county at the rate specified in the ordinance; and
- (2) an additional property tax replacement credit is granted against the tax liability for controlled property taxes imposed on tangible property in the county other than tangible property for which a C corporation is directly or indirectly liable for the tax liability.

Sec. 11. The department of local government finance shall set the percentage of the additional property tax replacement credit granted under this chapter in a year so that the total amount of the additional property tax replacement credits granted in the county equals the department of local government finance's best estimate of the amount of the county income tax supplement that will be available to the county in the ensuing year.

Sec. 12. (a) Subject to subsection (b), the additional property tax replacement credit granted under this chapter shall be uniformly applied to the property tax liability for the controlled property taxes imposed by each taxing unit in the county after

applying all other credits granted by a law outside this article, except IC 6-1.1-20.6.

(b) The additional property tax replacement credit granted by this chapter may not be applied to the tax liability for controlled property taxes imposed on tangible property for which a C corporation is directly or indirectly liable."

Delete pages 74 through 91.

Page 92, delete lines 1 through 13.

Page 94, line 38, after "department" insert "of local government finance".

Page 94, line 40, after "complete." insert "The department of state revenue shall provide the county auditor and the department of local government finance with sufficient information for the county auditor and the department of local government finance to match the distributions in a year to the year in which the distributed amount was raised from county income tax imposed on a county taxpayer, regardless of when the amount is collected."

Page 95, line 10, delete "political subdivisions" and insert "taxing units".

Page 95, line 13, delete "adjusted gross income tax, county option income tax," and insert "income tax has been pledged."

Page 95, delete line 14.

Page 95, delete lines 23 through 42, begin a new line block indented and insert:

- "(1) determine the part of the distribution that is attributable to the county income tax increment and the part of the distribution that is attributable to the county income tax supplement;
- (2) determine the part of the increment and the supplement that are distributable to each taxing unit in the county;
- (3) retain from the part of each distribution to a taxing unit any allocation made under IC 6-11-14;
- (4) retain from the part of each distribution to a taxing unit the amount of any reserve necessary to reimburse the state for overpayments of county income tax to the county; and
- (5) distribute the remainder of a taxing unit's allocation to the taxing unit.

Sec. 2. The distribution attributable to the increment shall be allocated among the taxing units in the county in proportion to the revenue lost by the taxing unit as a result of the application of the county freeze limit in the county.

Sec. 3. The distribution attributable to the supplement shall be allocated among the taxing units in the county in proportion to the revenue lost as a result of the reduction of controlled property taxes in the year under IC 6-11-9.

Sec. 4. If a distribution consists of county income tax revenues imposed in a year other than the current year, the amount shall be distributed in proportion to the revenue lost to each taxing unit in the year in which the county income tax was imposed."

Delete page 96.

Page 97, delete lines 1 through 18.

Page 97, line 19, delete "10." and insert "5."

Page 97, delete lines 22 through 30.

Page 97, line 31, delete "12." and insert "6."

Page 97, line 35, delete "13." and insert "7."

Page 97, between lines 38 and 39, begin a new paragraph and insert:

"Sec. 8. Subject to sections 9 and 10 of this chapter, county income taxes distributed to a taxing unit under this article may be used for any purpose for which the controlled property taxes being replaced could have been used.

Sec. 9. A part of the county income tax actually distributed to a taxing unit in a particular year that exceeds the increment or supplement distribution certified for the taxing unit for the year by the department of local government finance is valid. The amount collected may not be contested on the grounds that it exceeds a limit imposed by law. However, the taxing unit shall deposit the amount in the taxing unit's rainy day fund. The amount may be used only to reduce the county income tax imposed to raise the taxing unit's increment or supplement for subsequent years, as determined under the procedures prescribed by the department of local government finance.

Sec. 10. Money raised from county income taxes under this article but budgeted to be saved by the taxing unit may be used in any combination of the following ways:

- (1) Deposited in the taxing unit's rainy day fund and used to provide additional property tax relief, as determined by the taxing unit, in a subsequent year.**
- (2) Deposited in the taxing unit's rainy day fund and used for any purpose of the rainy day fund after at least one (1) year has elapsed from the time the money is deposited in the rainy day fund.**
- (3) Deposited in the taxing unit's capital projects fund (or an equivalent fund approved by the department of local government finance) and used for any purpose of the capital projects fund or equivalent fund after at least one (1) year has elapsed from the time the money is deposited in the capital projects fund or equivalent fund."**

Page 97, line 40, delete "political subdivision" and insert **"taxing unit"**.

Page 97, line 41, delete "political" and insert **"taxing unit's"**.

Page 97, line 42, delete "subdivision's".

Page 97, line 42, delete ", including a special allocation,"

Page 98, line 2, delete ", including any purpose for which county" and insert **" for which the property taxes being replaced could have been used."**

Page 98, delete lines 3 through 14.

Page 98, line 15, delete "political subdivision", begin a new paragraph and insert:

"Sec. 2. If a taxing unit".

Page 98, line 16, delete "." and insert **"of local government finance."**

Page 98, delete lines 17 through 27.

Page 98, line 28, delete "5." and insert **"3."**

Page 98, line 30, delete "political subdivision." and insert **"taxing unit."**

Page 98, line 31, delete "6." and insert **"4."**

Page 98, line 31, delete "(including an"

Page 98, line 32, delete "assignment described in section 2 of this chapter)".

Page 98, line 33, delete "political subdivision" and insert **"taxing unit"**.

Page 98, delete line 35.

Page 98, line 36, delete "section 4 of this chapter)", begin a new paragraph and insert:

"Sec. 5. A taxing unit".

Page 98, line 39, delete "adjusted" and insert **"income tax is pledged."**

Page 98, delete lines 40 through 41.

Page 98, line 42, delete "8." and insert **"6."**

Page 98, line 42, delete "controlled" and insert **"county income"**.

Page 98, line 42, after "the" insert **"taxing unit's freeze limit or any tax limit imposed by a law outside this article."**

Delete pages 99 through 104.

Page 105, delete lines 1 through 9.

Page 105, line 10, delete "18." and insert **"15."**

Page 105, delete lines 24 through 42, begin a new paragraph and insert:

"Chapter 16. Enforcement of Orders; Judicial Review

Sec. 1. (a) The department of local government finance, at the request of any party to an appeal or on the department of local government finance's own motion, may issue:

- (1) subpoenas;**
- (2) discovery orders; and**
- (3) protective orders;**

in accordance with the rules of procedure governing discovery, depositions, and subpoenas in civil actions in the courts to carry out this article.

(b) If ordered by the department of local government finance, the sheriff in the county in which the order is to be served shall serve the subpoena, discovery order, or protective order.

(c) Subpoenas and orders issued under this section may be enforced under IC 4-21.5-6.

Sec. 2. An order issued by the department of local government finance under this article may be enforced in the manner provided by IC 4-21.5-6.

Sec. 3. (a) The following may petition for judicial review of the final determination of the department of local government finance under this article:

- (1) An affected taxing unit.**
- (2) The county fiscal officer for a county in which an affected taxing unit is located.**
- (3) Any person or entity that is the subject of an order.**
- (4) If the order was issued as the result of an appeal, any of the parties to the appeal.**

(b) The petition must be filed in the tax court not more than thirty (30) days after the department of local government finance enters its order under this article."

Delete pages 106 through 184.

Page 185, delete lines 1 through 26.

Page 185, delete lines 35 through 42.

Delete pages 186 through 189.

Page 190, delete lines 1 through 36.

Page 192, delete line 42.

Delete pages 193 through 195.

Page 196, delete lines 1 through 41.

Page 197, delete lines 6 through 42.

Delete pages 198 through 202.

Page 203, delete lines 1 through 30.

Page 203, line 31, delete "(i)" and insert **"SECTION 79 [EFFECTIVE UPON PASSAGE] (a)"**.

Page 203, delete line 42.

Delete pages 204 through 205.

Page 206, delete lines 1 through 32.
 Page 206, line 33, delete "(d)" and insert "(b)".
 Page 206, line 40, delete "through IC 6-15, all" and insert ",".
 Page 207, delete lines 2 through 16.
 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1001 as printed February 24, 2006.)

DILLON

Motion prevailed.

SENATE MOTION
 (Amendment 1001-7)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 216, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 100. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "board" refers to the county property tax assessment board of appeals.

(b) This SECTION applies to an organization that:

- (1) is located in a county containing a consolidated city;**
- (2) is dedicated to nurturing and celebration of the arts and culture from an African-American perspective and provides a forum for arts and cultural programming directed toward cross-cultural appreciation;**
- (3) filed an application under IC 6-1.1-11 for exemption from property taxes on the organization's property first due and payable in 2005, which was denied by the board because the organization failed to attend the board's hearing on the exemption application; and**
- (4) filed an application under IC 6-1.1-11 for exemption from property taxes on the organization's property first due and payable in 2006, which was approved by the board.**

(c) An organization described in subsection (b) is entitled to exemption from property taxes on the organization's property first due and payable in 2005 in the same percentage approved by the board with respect to the organization's exemption application described in subsection (b)(4).

(d) The organization entitled to an exemption under subsection (c) may file a claim under IC 6-1.1-26-1 before July 1, 2006, with the county auditor for a refund for any payment of property taxes first due and payable in 2005, including any paid interest and penalties, with respect to the exempt property.

(e) Upon receiving a claim for a refund filed under subsection (d), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. No interest is payable on the refund.

(f) This SECTION expires January 1, 2007."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 24, 2006.)

BREAUX

Motion prevailed.

SENATE MOTION
 (Amendment 1001-2)

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 197, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 67. IC 36-7-14-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 35. (a) In order to:

- (1) undertake survey and planning activities under this chapter;**
- (2) undertake and carry out any redevelopment project, ~~or~~ urban renewal project, or housing program;**
- (3) pay principal and interest on any advances;**
- (4) pay or retire any bonds and interest on them; or**
- (5) refund loans previously made under this section;**

the redevelopment commission may apply for and accept advances, short term and long term loans, grants, contributions, and any other form of financial assistance from the federal government, or from any of its agencies. The commission may also enter into and carry out contracts and agreements in connection with that financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, as long as those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds, as well as all other provisions, are valid and binding on the unit or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) The redevelopment commission may issue and sell bonds, notes, or warrants to the federal government to evidence short term or long term loans made under this section, without notice of sale being given or a public offering being made.

(c) Notwithstanding the provisions of this or any other chapter, bonds, notes, or warrants issued by the redevelopment commission under this section may:

- (1) be in the amounts, form, or denomination;**
- (2) be either coupon or registered;**
- (3) carry conversion or other privileges;**
- (4) have a rank or priority;**
- (5) be of such description;**
- (6) be secured (subject to other provisions of this section) in such manner;**
- (7) bear interest at a rate or rates;**
- (8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand) and at a place or places;**
- (9) be subject to terms of redemption (with or without premium);**
- (10) contain or be subject to any covenants, conditions, and provisions; and**
- (11) have any other characteristics;**

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the unit or taxing district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the redevelopment

commission under this chapter, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation for all purposes.

(f) Bonds, notes, or warrants issued under this section must be executed by the appropriate officers of the unit in the name of the "City (or Town or County) of _____, Department of Redevelopment", and must be attested by the appropriate officers of the unit.

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the redevelopment commission shall certify a copy of that resolution to the officers of the unit who have duties with respect to bonds, notes, or warrants of the unit. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the unit who have duties with respect to the sale of bonds, notes, or warrants of the unit. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if ~~he~~ the officer had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under this section the redevelopment commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the redevelopment commission without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 68. IC 36-7-14-45 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 45. (a) The commission may establish a program for housing by resolution. The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 39 and 48 of this chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(b) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this

chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 18 of this chapter.

(c) Before formal submission of any housing program to the commission, the department of redevelopment:

- (1) shall consult with persons interested in or affected by the proposed program;**
- (2) shall provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and**
- (3) shall hold public meetings in the affected neighborhood to obtain the views of neighborhood associations and residents.**

SECTION 69. IC 36-7-14-46 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 46. (a) Except as provided in subsection (b), all the rights, powers, privileges, and immunities that may be exercised by the commission in blighted, deteriorated, or deteriorating areas may be exercised by the commission in implementing its program for housing, including the following:

- (1) The special tax levied in accordance with section 27 of this chapter may be used to accomplish the housing program.**
- (2) Bonds may be issued under this chapter to accomplish the housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area except for refunding bonds or bonds issued in an amount necessary to complete a housing program for which bonds were previously issued.**
- (3) Leases may be entered into under this chapter to accomplish the housing program.**
- (4) The tax exemptions set forth in section 37 of this chapter are applicable.**
- (5) Property taxes may be allocated under section 39 of this chapter.**

(b) A commission may not exercise the power of eminent domain in implementing its program for housing.

SECTION 70. IC 36-7-14-47 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 47. The commission must make the following findings in the resolution adopting a housing program under section 45 of this chapter:

- (1) Not more than twenty-five (25) acres of the area included in the allocation area has been annexed during the preceding five (5) years.**
- (2) No area within the allocation area has been annexed within the preceding five (5) years over a remonstrance of a majority of the owners of land within the annexed area.**
- (3) The program cannot be accomplished by regulatory processes or by the ordinary operation of private enterprise because of:**
 - (A) lack of public improvements;**
 - (B) existence of improvements or conditions that lower the value of the land below that of nearby land; or**
 - (C) other similar conditions.**

- (4) The public health and welfare will be benefited by accomplishment of the program.
- (5) The accomplishment of the program will be of public utility and benefit as measured by:
 - (A) the provision of adequate housing for low and moderate income persons;
 - (B) an increase in the property tax base; or
 - (C) other similar public benefits.
- (6) At least one-third (1/3) of the parcels in the allocation area established by the program are vacant.
- (7) At least seventy-five percent (75%) of the allocation area is used for residential purposes or is planned to be used for residential purposes.
- (8) At least one-third (1/3) of the residential units in the allocation area were constructed before 1941.
- (9) At least one-third (1/3) of the parcels in the allocation area have at least one (1) of the following characteristics:
 - (A) The dwelling unit on the parcel is not permanently occupied.
 - (B) The parcel is the subject of a governmental order, issued under a statute or an ordinance, requiring the correction of a housing code violation or unsafe building condition.
 - (C) Two (2) or more property tax payments on the parcel are delinquent.
 - (D) The parcel is owned by local, state, or federal government.
- (10) The total area within the county or municipality that is included in any allocation area established for a housing program under section 45 of this chapter does not exceed one hundred fifty (150) acres.

SECTION 71. IC 36-7-14-48 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and

families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by
- (B) the amount determined under STEP ONE.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable on May 10 and November 10 of a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

- (1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.
- (2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.
- (3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the

commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

- (1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.
- (2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

- (1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

- (A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;
- (B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and
- (C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

- (2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2)."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 24, 2006.)

BRODEN

Motion prevailed. The bill was ordered engrossed.

Engrossed House Bill 1029

Senator Kenley called up Engrossed House Bill 1029 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 1029-2)

Madam President: I move that Engrossed House Bill 1029 be amended to read as follows:

Page 3, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-19-8, AS AMENDED BY P.L.1-2005, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.

(a) A school corporation must file a petition requesting approval from the department of local government finance to incur bond indebtedness, enter into a lease rental agreement, or repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5 not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances. A school corporation must obtain approval from the department of local government finance before the school corporation may:

- (1) incur the indebtedness;
- (2) enter into the lease agreement; or
- (3) repay the school bus purchase loan.

This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. **In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ten (10) year school bus replacement plan approved by the department of local government finance under IC 21-2-11.5-3.1.**

(b) The department of local government finance may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation. A school corporation may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) After December 31, 1995, the department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

- (1) establishes that additional classroom space is necessary; and
- (2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-30-2-7)) rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1029 as printed February 24, 2006.)

KENLEY

Motion prevailed.

SENATE MOTION
(Amendment 1029-1)

Madam President: I move that Engrossed House Bill 1029 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-1-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2006 (RETROACTIVE)]:

Sec. 1. (a) **The following definitions apply throughout this section:**

(1) "Agreement" means any agreement that includes terms, representations, or provisions relating to:

(A) credit enhancement of, or rate covenants supporting, any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b);

(B) any indenture or provision regarding any indenture relating to any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b);

(C) payment of any bonds, notes, evidences of indebtedness, leases, swap agreements, or other written obligations described in subsection (b) in the event of a termination of the agreement; or

(D) public works, capital improvements, or economic development projects.

(2) "Leasing body" means a not-for-profit corporation, limited purpose corporation, or authority that has leased land and a building or buildings to an entity named in subsection (b) other than another leasing body.

(3) "Swap agreement" has the meaning set forth in IC 8-9.5-9-4.

(b) All bonds, notes, evidences of indebtedness, leases, or other written obligations issued **or executed** by or in the name of any:

(1) state agency, county, township, city, incorporated town, school corporation, state educational institution, state supported institution of higher learning, political subdivision, joint agency created under IC 8-1-2.2, leasing body, separate body corporate and politic, or any other political, municipal, public or quasi-public corporation; or in the name of any

(2) special assessment or taxing district; or in the name of any

(3) board, commission, authority, or authorized body of any such entity; and

any pledge, dedication or designation of revenues, conveyance, or mortgage securing these bonds, notes, evidences of indebtedness,

leases, **swap agreements, agreements,** or other written obligations are hereby legalized and declared valid if these bonds, notes, evidences of indebtedness, leases, **swap agreements, agreements,** or other written obligations have been executed before March 15, ~~2000~~: **2006**. All **governance, organizational, or other** proceedings had and actions taken under which the bonds, notes, evidences of indebtedness, leases, **swap agreements, agreements,** or other written obligations were issued **or executed** or the pledge, dedication or designation of revenues, conveyance, or mortgage was granted, are hereby fully legalized and declared valid.

(c) All contracts for the purchase of electric power and energy or utility capacity or service:

(1) entered into by a joint agency created under IC 8-1-2.2; and

(2) its members used for the purpose of securing payment of principal and interest on bonds, notes, evidences of indebtedness, leases, or other written obligations issued by or in the name of such joint agency;

are hereby legalized and declared valid if entered into before March 15, ~~2000~~: **2006**. All proceedings held and actions taken under which contracts for the purchase of electric power and energy or utility capacity or service were executed or entered into are hereby fully legalized and declared valid.

(d) All interlocal cooperation agreements entered into by political subdivisions or governmental entities under IC 36-1-7 are hereby legalized and declared valid if entered into before March 15, ~~2000~~: **2006**. All proceedings held and actions taken under which interlocal cooperation agreements were executed or entered into are hereby fully legalized and validated."

Page 4, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 5. IC 20-12-6-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) In addition to the powers set forth in section 1 of this chapter, the corporations may:

(1) acquire, erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, furnish, and operate any equipment that the governing boards of the corporations consider necessary for:

(A) carrying on the educational research or public service programs or discharging the statutory responsibilities of the educational institutions and their various divisions; or

(B) the management, operation, or servicing of the institutions; and

(2) establish liability or other loss insurance reserves or contribute those reserves or other capital to a risk retention group for the purpose of providing insurance coverage against liability claims.

(b) As used in this chapter:

(1) "building facility" includes:

(A) capital equipment;

(B) software; and

(C) other costs;

that directly relate to operating the building facility, as determined under accounting principles approved by the state board of accounts.

(2) "liability or other loss insurance reserves" means a fund set aside as a reserve to cover risk retained by the corporation in

connection with liability claims or other losses;

(3) "risk retention group" means a trust, pool, corporation, partnership, or joint venture funded by and owned and operated for the benefit of more than one (1) eligible member;

(4) "eligible members" includes the corporations and all private institutions of higher education (as defined in IC 20-12-63-3); and

(5) "liability" means legal liability for damages (including costs of defense, legal costs and fees, and other claims expenses) because of injuries to other persons or entities, damage to their property or business, or other damage or loss to those persons or entities resulting from or arising out of any activity of any eligible member.

SECTION 6. IC 20-12-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Subject to ~~section sections 16 and 17~~ of this chapter, bonds may be issued in an amount or amounts that do not exceed the maximum amount determined by the governing board of the issuing corporation.

(b) The bonds may be issued in the form and upon the terms and conditions, at the rate or rates of interest, and in the denominations which may be made convertible into different denominations as the governing board of the corporation may determine by the adoption of a resolution or approval of a form of trust indenture between the corporation and a designated corporate trustee, or both.

(c) The resolution or the indenture may include provisions for:

(1) protecting and enforcing the rights and remedies of the holders of the bonds being issued;

(2) covenants setting forth the duties of the corporation and its officers in relation to the acquisition, construction, operation, maintenance, use, and abandonment of the building facility, and insurance thereof;

(3) the custody, safeguarding, application, and investment of all money;

(4) the rights and remedies of the trustee and the holders of the bonds being issued;

(5) the issuance of additional bonds as provided in the resolution or indenture; and

(6) other terms, conditions, and covenants as the governing board of the corporation determines are proper, including provision for the establishment of a debt service reserve by:

(A) the use of bond proceeds or other sources;

(B) the furnishing of an insurance policy, surety bond, or letter of credit; or

(C) any combination of clause (A) or (B).

(d) The bonds shall be sold at public or negotiated sale as provided by IC 4-1-5.

(e) All bonds and the interest coupons appertaining to the bonds issued under this chapter shall be negotiable instruments within the meaning and for all purposes under the laws of this state, subject only to the provisions of the bonds for registration as to principal or as to principal and interest. Any bonds registered as to principal and interest may be made convertible to bearer bonds with coupons.

(f) No action to contest the validity of any bonds issued under this chapter shall be brought after the fifteenth day following:

(1) the first publication of notice of the sale or intent to sell the bonds under IC 4-1-5, if the bonds are sold at public sale; or

(2) the publication one (1) time in newspapers described in

IC 4-1-5-1 of notice of execution and delivery of the contract of sale for the bonds, if the bonds are sold at negotiated sale.

(g) The corporation shall publish notice under subsection (f)(2) if it sells bonds at negotiated sale within thirty (30) days of execution of the contract of sale for the bonds.

(h) The rate or rates of interest of the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture pursuant to which the bonds are issued. The interest may be payable semiannually, annually, or at any other interval or intervals as may be provided in the resolution or indenture, or the interest may be compounded and paid at maturity or at any other times as specified in the resolution or indenture.

(i) The bonds may be made subject, at the option of the holders, to mandatory redemption by the corporation at the times and under the circumstances set forth in the authorizing resolution or indenture.

(j) A resolution or the indenture may contain provisions regarding the investment of money, sale, exchange, or disposal of property and the manner of authorizing and making payments, notwithstanding IC 5-13 or any general statute relating to these matters.

SECTION 7. IC 20-12-6-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. (a) Any corporation that has entered into a written contract for a grant, pending the receipt of the grant, but within the limitations set forth in this section, may borrow from any person and evidence the debt by a note or a series of notes of equal or unequal amounts containing such terms and conditions as the governing board of the corporation prescribes. Any note may pledge, for the payment of the principal and interest thereof, the proceeds of the grant and any revenue that may be derived from the building facility being constructed, acquired, renovated, or improved by the proceeds of the note or notes.

(b) A loan made under this section may not exceed ~~eighty percent (80%)~~ of the estimated amount of the grant in anticipation of which the loan is made. Further, the corporation shall make prepayments of the outstanding balance of its note or retire one (1) or more of its series of outstanding notes promptly upon partial receipt of grant funds. ~~so that the outstanding amount of any loan made under this section does not exceed the balance of the grant funds yet to be received.~~

(c) The notes shall be executed in the same manner as provided for bonds in section 8 of this chapter, and the notes shall be sold in the same manner as provided for bonds in section 7 of this chapter.

(d) The governing board of the corporation shall apply the proceeds of any notes issued under this section to those items of cost for which the grant has been allocated by the granting agencies. The purchaser of any notes is not liable for any improper use of the proceeds, and the purchaser does not have to insure that the amount of the loan stays within the maximum limits as grant funds are from time to time received by the corporation.

(e) As used in this section, "grant" means any ~~money received~~ **agreement for any combination of grants, gifts, or pledges:**

(1) to or for the benefit of a corporation from:

(A) the United States government or any of its agencies;

(B) the state of Indiana or any of its agencies; or ~~from~~

(C) any private **person**, corporation, trust, or foundation; **and**

(2) to be used ~~for~~ **in connection with** the acquisition, improvement, renovation, ~~or~~ construction, **or support** of building facilities that the corporation may lawfully undertake.

SECTION 8. IC 20-12-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The term "bond" or "bonds" as used in this chapter means any bonds (including refunding bonds), notes, temporary, interim, or permanent certificates of indebtedness, debentures, or other obligations evidencing indebtedness for borrowed money. **The term does not include installment contracts or similar instruments under section 2 of this chapter.**

SECTION 9. IC 20-12-6-16, AS AMENDED BY P.L.235-2005, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. **(a)** No bonds shall be issued by the corporations under the provisions of this chapter without the specific approval of:

(1) the budget agency if the bonds are issued for the refunding or advance refunding of any outstanding bonds approved as required by this chapter and the corporation makes the findings described in subsection (b); and

(2) the state budget committee, budget agency, and the governor of the state of Indiana, if subdivision (1) does not apply.

The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

(b) A corporation may provide for refunding or advance refunding of any outstanding bonds under subsection (a)(1) whenever the board of trustees of the corporation finds that the refunding or advance refunding will effect a benefit to the corporation because:

(1) a net savings to the corporation will be effected; or

(2) the net present value of principal and interest payments on the bonds is less than the net present value of the principal and interest payments on the outstanding bonds to be refunded.

SECTION 10. IC 20-12-6-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. **(a)** Except for notes issued under section 8.5 of this chapter and except as provided in subsections ~~(d)~~ **and (e) through (h)**, no bonds shall be issued for a project by the corporations under this chapter unless the general assembly:

(1) has specifically approved the project to be financed through the issuance and sale of these bonds; and

(2) has provided the amount of bonds which may be issued to fund the costs of acquiring, constructing, remodeling, renovating, furnishing, or equipping the specific project approved.

(b) In addition to and in connection with the amount of bonds that may be issued by a corporation for a specific project as provided in subsection (a)(2), the corporations may also issue bonds in amounts necessary to provide funds for debt service reserves, bond or reserve insurance, and other costs without additional approval by the general assembly, if these costs are incidental to the issuance of bonds for the project.

(c) The bonds, regardless of when the amount of bonds was approved by the general assembly, may be issued in an amount not

exceeding:

(1) the amount of bonds approved by the general assembly together with the amounts described in subsection (b); plus

(2) the amount of the discount below par value, if bonds are sold at a price below par value under IC 4-1-5-1.

(d) As used in this subsection, "fee replacement" means payments to a corporation to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes. A power granted under this section to issue bonds without the specific approval of the general assembly shall not be construed to permit the issuance of the bonds without the specific approvals required under section 16 of this chapter. Bonds issued without the specific approval of the general assembly are eligible for fee replacement only to the extent expressly authorized by a law enacted after the issuance of the bonds.

~~(d)~~ **(e)** Bonds may be issued by a corporation for equipment, software, and other costs described in section 1.2(b)(1) of this chapter without the approval of the general assembly if, after the issuance, the total amount of outstanding bonds issued by the corporation **for those purposes** without approval will not exceed ~~one~~ **ten** million dollars ~~(\$1,000,000). However, the bonds must be approved as provided in section 16 of this chapter.~~ **(\$10,000,000).**

~~(e)~~ **(f)** Bonds may be issued by a corporation without the approval of the general assembly to finance a qualified energy savings project (as defined in IC 20-12-5.5) if ~~(1)~~ annual operating savings to ~~a~~ **the** corporation arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. ~~and (2) However, the amount of bonds that may be issued by each outstanding for the corporation at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in subsections (b) and (c), does not exceed ten~~ **However, the amount of bonds that may be issued by each outstanding for the corporation at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in subsections (b) and (c), does not exceed ten** ~~twenty million dollars (\$10,000,000).~~ **(\$20,000,000).**

(g) Bonds may be issued by the trustees of Purdue University without the approval of the general assembly for deferred expenditures, as determined under accounting principles approved by the state board of accounts, to:

(1) repair, rehabilitate, remodel, renovate, or reconstruct existing facilities or buildings;

(2) improve or replace utilities or fixed equipment; or

(3) perform related site improvement work.

However, the total amount of bonds issued for the corporation under this subsection without the approval of the general assembly, other than refunding bonds and exclusive of costs described in subsections (b) and (c), may not exceed sixty million dollars (\$60,000,000).

(h) Bonds may be issued by a corporation without the approval of the general assembly for technology expenditures, including:

(1) computing, telecommunications, hardware, software, networking, and supporting equipment; and

(2) related expenditures such as installation and other similar capitalizable costs.

SECTION 11. IC 20-12-7-7, AS AMENDED BY P.L.235-2005, SECTION 196, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** No bonds shall be issued by the respective trustees under the provisions of this chapter without the specific approval of:

- (1) the budget agency if the bonds are issued for the refunding or advance refunding of any outstanding bonds approved as required by this chapter and the institution makes the findings described in subsection (b); and**
- (2) the budget committee, budget agency, and the governor, if subdivision (1) does not apply.**

The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

(b) An institution may provide for refunding or advance refunding of any outstanding bonds under subsection (a)(1) whenever the board of trustees of the institution finds that the refunding or advance refunding will effect a benefit to the institution because:

- (1) a net savings to the institution will be effected; or**
- (2) the net present value of principal and interest payments on the bonds is less than the net present value of the principal and interest payments on the outstanding bonds to be refunded.**

SECTION 12. IC 20-12-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The trustees of Indiana University, the trustees of Purdue University, Indiana State University board of trustees, the University of Southern Indiana board of trustees, and the Ball State University board of trustees are authorized and empowered, from time to time, if the governing boards of these corporations find that a necessity exists, to erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage:

- (1) dormitories and other housing facilities for single and married students and school personnel;
- (2) food service facilities;
- (3) student infirmaries and other health service facilities including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing; **or**
- (4) parking facilities in connection with academic facilities; **or**
- ~~(5) medical research; facilities associated with a school of medicine; if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;~~

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. ~~These~~

(b) The trustees of Indiana University and the trustees of Purdue University may, from time to time, if the governing boards of these corporations find that a necessity exists, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage facilities used for clinical, medical, scientific, engineering, or other similar qualitative, quantitative, or experimental research, if revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements is available in an amount that is reasonably expected to at least equal the annual debt service

requirements of the bonds for the facility for each fiscal year that the bonds are outstanding at or in connection with any of the following campuses of Indiana University or Purdue University:

- (1) Purdue University-West Lafayette Campus.**
- (2) Indiana University-Purdue University at Indianapolis (IUPUI).**
- (3) Indiana University-Bloomington Campus.**

(c) The corporations described in subsection (a) or (b) are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

~~(b)~~ **(d)** Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state and with the seal of the state affixed to the deed.

SECTION 13. IC 20-12-8-7, AS AMENDED BY P.L.235-2005, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** No bonds shall be issued by the corporations under the provisions of this chapter without the specific approval of:

- (1) the budget agency if the bonds are issued for the refunding or advance refunding of any outstanding bonds approved as required by this chapter and the corporation makes the findings described in subsection (b); and**
- (2) the budget committee, budget agency, and the governor, if subdivision (1) does not apply.**

The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

(b) A corporation may provide for refunding or advance refunding of any outstanding bonds under subsection (a)(1) whenever the board of trustees of the corporation finds that the refunding or advance refunding will effect a benefit to the corporation because:

- (1) a net savings to the corporation will be effected; or**
- (2) the net present value of principal and interest payments on the bonds is less than the net present value of the principal and interest payments on the outstanding bonds to be refunded.**

SECTION 14. [EFFECTIVE JULY 1, 2006] The trustees of Indiana State University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the purpose of constructing, furnishing, and equipping the Student Recreation Center Project, if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed

twenty-four million dollars (\$24,000,000). The project is not eligible for fee replacement."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1029 as printed February 24, 2006.)

SIMPSON

Upon request of Senator Simpson the President ordered the roll of the Senate to be called. Roll Call 244: yeas 16, nays 33.

Motion failed. The bill was ordered engrossed.

Engrossed House Bill 1117

Senator Gard called up Engrossed House Bill 1117 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 1117-1)

Madam President: I move that Engrossed House Bill 1117 be amended to read as follows:

Replace the effective dates in SECTIONS 11 through 12 with "[EFFECTIVE UPON PASSAGE]".

Page 8, after line 12, begin a new paragraph and insert:

"SECTION 15. **An emergency is declared for this act.**".

(Reference is to EHB 1117 as printed February 22, 2006.)

HARRISON

Motion prevailed. The bill was ordered engrossed.

Engrossed House Bill 1138

Senator Weatherwax called up Engrossed House Bill 1138 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1155

Senator Long called up Engrossed House Bill 1155 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 1155-2)

Madam President: I move that Engrossed House Bill 1155 be amended to read as follows:

Page 32, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 18. IC 31-30-1-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 2.5. A juvenile court may not appoint a person to serve as the guardian or custodian of a child if the person is:**

(1) a sexually violent predator (as described in IC 35-38-1-7.5); or

(2) a person who was at least eighteen (18) years of age at the time of the offense and who committed child molesting (IC 35-42-4-3) or sexual misconduct with a minor (IC 35-42-4-9) against a child less than sixteen (16) years of age:

(A) by using or threatening the use of deadly force;

(B) while armed with a deadly weapon; or

(C) that resulted in serious bodily injury."

Page 34, line 16, delete "IC 11-8-8-4." and insert "IC 11-8-8-5".

Page 34, line 28, delete "IC 11-8-8-4" and insert "IC 11-8-8-5".

Page 34, line 30, delete "IC 11-8-8-4" and insert "IC 11-8-8-5".

Page 34, line 35, delete "IC 11-8-8-4" and insert "IC 11-8-8-5".

Page 52, line 25, delete "IC 11-8-8-4)" and insert "IC 11-8-8-5)".

Page 55, line 26, after "IC 35-43-1-2" delete " ,".

Page 55, line 41, delete "child" and insert "sex offenders".

Page 55, line 42, delete "molesters".

Page 58, line 37, strike "nineteen (19)" and insert "twenty (20)".

Page 59, between lines 23 and 24, begin a new line block indented and insert:

"(12) One (1) board certified psychologist or psychiatrist who has expertise in treating sex offenders, appointed by the governor to act as a nonvoting advisor to the committee."

Page 60, line 4, after "of the" insert "voting".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1155 as printed February 24, 2006.)

STEELE

Motion prevailed. The bill was ordered engrossed.

Engrossed House Bill 1156

Senator Bray called up Engrossed House Bill 1156 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 1156-2)

Madam President: I move that Engrossed House Bill 1156 be amended to read as follows:

Page 7, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 2. IC 31-12-1.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Chapter 1.5. Other Domestic Relations Courts**

Sec. 1. (a) This chapter applies in a judicial circuit in which a majority of the judges of the circuit and superior courts determine that:

(1) the social conditions of the county; and

(2) the number of domestic relations cases in the courts;

make the procedures described in IC 31-12-1 necessary for the full and proper consideration of domestic relations cases.

(b) The judges shall make the determination described in subsection (a) annually in January.

Sec. 2. If the judges of a judicial circuit make the determination described in section 1 of this chapter, the judges shall designate by joint order one (1) or more of the judges in the judicial circuit to hear cases under this chapter. A judge designated under this section may hold as many sessions each week as are necessary for the prompt disposition of the court's business.

Sec. 3. A court exercising the jurisdiction described in section 2 of this chapter may be designated as a domestic relations court.

Sec. 4. A court designated as a domestic relations court under section 3 of this chapter has the jurisdiction and special powers described in IC 31-12-1-4. A court designated as a domestic relations court under this chapter, IC 31-12-1, or IC 31-12-2

retains jurisdiction to hear any type of case the court had jurisdiction to hear before the court was designated as a domestic relations court.

Sec. 5. (a) If a judge appointed to act as judge of the domestic relations court is:

- (1) on vacation;
- (2) absent; or
- (3) for any reason unable to perform the judge's duties;

a majority of the judges of the superior and circuit courts may appoint another of the judges to act as judge of the domestic relations court during that period.

(b) A judge appointed under subsection (a) has all the powers and authority of the regularly presiding judge of the domestic relations court.

Sec. 6. IC 31-12-1-6 through IC 31-12-1-16 apply to a domestic relations court established under this chapter.

Sec. 7. (a) The judges of the circuit and superior courts may appoint:

- (1) a director of domestic relations counseling; or
- (2) at least one (1) counselor under this chapter or under IC 31-12-1.

(b) A counselor described in subsection (a)(2) or the organization led by the director described in subsection (a)(1) is designated as a domestic relations counseling bureau.

SECTION 3. IC 31-12-4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Chapter 4. Domestic Relations Counseling Bureau Fee**

Sec. 1. (a) Upon order of a judge or group of judges described in IC 31-12-1, IC 31-12-1.5, or IC 31-12-2, and in accordance with this chapter, a court that provides domestic relations counseling services may charge a fee for these services.

(b) In addition to any other domestic relations counseling services ordered by the court, a domestic relations counseling bureau may provide the following domestic relations counseling services:

- (1) Screening.
- (2) Investigation.
- (3) Reporting.
- (4) Evaluation.
- (5) Counseling.
- (6) Mediation.

Sec. 2. (a) If a judge or group of judges issues an order under section 1 of this chapter to charge a domestic relations counseling fee, the judge must also adopt by court rule a schedule of fees. The schedule of fees is not effective until approved by the county fiscal body in accordance with this chapter.

(b) Upon request of a judge or group of judges that issued an order under section 1 of this chapter, the county fiscal body may adopt an ordinance to create a county domestic relations counseling bureau fund to fund the services of a domestic relations court and a domestic relations counseling bureau.

(c) If the county fiscal body creates a domestic relations counseling bureau fund, any fees collected by the domestic relations counseling bureau shall be deposited in the fund.

(d) The fund shall be administered by the judge or group of judges who are signatories to the order described in section 1 of this chapter.

(e) The expenses of administering the fund shall be paid from the money in the fund.

(f) Any money in the fund at the end of a fiscal year does not revert to the county general fund.

(g) The county fiscal body may appropriate money from the domestic relations counseling bureau fund to support the domestic relations counseling bureau. However, a county fiscal body may not transfer funds that have been previously appropriated to the budget of the domestic relations counseling bureau as a consequence of an appropriation from the domestic relations counseling bureau fund.

Sec. 3. With the prior approval of the judge or group of judges described in IC 31-12-1, IC 31-12-1.5, or IC 31-12-2, a domestic relations counseling bureau may receive gifts and donations from a private source to supplement the budget of the domestic relations counseling bureau."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1156 as printed February 24, 2006.)

BRODEN

Motion prevailed. The bill was ordered engrossed.

Engrossed House Bill 1259

Senator Steele called up Engrossed House Bill 1259 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1339

Senator Merritt called up Engrossed House Bill 1339 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1362

Senator Delph called up Engrossed House Bill 1362 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 1362-1)

Madam President: I move that Engrossed House Bill 1362 be amended to read as follows:

Page 7, delete lines 25 through 32, begin a new line double block indented and insert:

"(A) the date that a copy of a joint certification from the county election board in each county in which reorganizing political subdivisions are located that indicates that:

- (i) the reorganization has been approved by the voters of each reorganizing political subdivision; or
- (ii) in the case of a reorganization described in section 1(a)(10) of this chapter, the reorganization has been approved as set forth in section 32(b) of this chapter; is recorded as required by section 31 of this chapter; or".

Page 16, delete lines 5 through 18, begin a new paragraph and insert:

"(b) In the case of a public question on a reorganization described in section 1(a)(10) of this chapter:

- (1) the public question on a plan of reorganization shall be placed on the ballot for consideration by the voters of the entire county;
- (2) the vote on the public question by the voters of the entire county shall be tabulated;
- (3) the vote on the public question by the voters of:
- (A) each reorganizing municipality; and
 - (B) the county (excluding the voters of the reorganizing municipalities);
- shall be tabulated separately;
- (4) the circuit court clerk shall issue, in a form prescribed by the state election board, separate certificates regarding whether the public question is approved or rejected by the voters of:
- (A) the entire county;
 - (B) each reorganizing municipality; and
 - (C) the county (excluding the voters of the reorganizing municipalities);
- voting on the public question; and
- (5) the reorganization is approved only if all of the following occur:
- (A) A majority of the voters of the entire county voting on the public question vote in favor of the reorganization.
 - (B) Less than sixty-five percent (65%) of the voters of each reorganizing municipality vote against the reorganization.
 - (C) Less than sixty-five percent (65%) of the voters of the county (excluding the voters of the reorganizing municipalities) vote against the reorganization."

Page 16, delete lines 34 through 37, begin a new paragraph and insert:

"(b) This subsection applies only to a reorganization described in section 1(a)(10) of this chapter. The reorganization is approved only if:

- (1) a majority of the voters of the entire county approve the public question on the reorganization;
- (2) less than sixty-five percent (65%) of the voters of each reorganizing municipality disapprove the public question on the reorganization; and
- (3) less than sixty-five percent (65%) of the voters of the county (excluding the voters of the reorganizing municipalities) disapprove the public question on the reorganization.

In tabulating the votes under subdivisions (2) and (3), the vote of voters of a reorganizing municipality who also are voters in the county shall be included only in the tally of votes for the municipality in which the voters reside."

Page 17, delete lines 6 through 11, begin a new paragraph and insert:

"Sec. 34. (a) This section applies if:

- (1) the majority of the voters of each of the reorganizing political subdivisions approve the public question concerning the reorganization; or
- (2) in the case of a reorganization described in section 1(a)(1) of this chapter, the reorganization is approved as set forth in section 32(b) of this chapter."

(Reference is to EHB 1362 as printed February 24, 2006.)

DELPH

Motion prevailed.

SENATE MOTION (Amendment 1362-2)

Madam President: I move that Engrossed House Bill 1362 be amended to read as follows:

Page 10, between lines 13 and 14, begin a new line block indented and insert:

"(1) Adopt a resolution declining to participate in the proposed reorganization."

Page 10, line 14, delete "(1)" and insert "(2)".

Page 10, line 16, delete "(2)" and insert "(3)".

Page 14, between lines 25 and 26, begin a new paragraph and insert:

"Sec. 23.5. The following apply if the legislative bodies of all political subdivisions that have been presented with a plan of reorganization under section 18(c) of this chapter have not adopted a plan of reorganization, either as presented by the reorganization committee or as modified by all of the political subdivisions, within one (1) year after the plan of reorganization is presented:

- (1) Not later than one (1) month after the end of the one (1) year period in which the legislative bodies must adopt a plan of reorganization, the reorganization committee shall submit a final plan of reorganization to the legislative bodies of the political subdivisions.
- (2) Not later than one (1) month after receiving the final plan of reorganization under subdivision (1), each of the legislative bodies must:

- (A) hold a hearing on the final plan of reorganization; and
- (B) adopt either a resolution approving the final plan of reorganization or a resolution rejecting the final plan of reorganization.

If a legislative body does not adopt a resolution under this subdivision within the one (1) month period, the failure to adopt a resolution is considered to be an approval of the final plan of reorganization.

- (3) If all of the legislative bodies adopt a resolution approving the final plan of reorganization, the legislative bodies shall certify their approval under section 23 of this chapter.

- (4) If any of the legislative bodies adopts a resolution rejecting the final plan of reorganization, the registered voters of a political subdivision in which the final plan of reorganization was rejected by a legislative body under subdivision (2) may submit a petition to the clerk of the circuit court approving the final plan of reorganization and requesting that a public question be held on the final plan of reorganization. The petition must be submitted not later than one hundred eighty (180) days after the legislative body voted to reject the final plan of reorganization. If the petition is signed by at least ten percent (10%) of the registered voters of the political subdivision:

(A) the political subdivision is considered to have approved the holding of the public question on the final plan of reorganization, notwithstanding the vote by the legislative body rejecting the final plan of reorganization; and

(B) the clerk of the circuit court shall certify approval of the final plan of the reorganization and the holding of the public question in the manner specified in section 23 of this chapter."

Page 14, line 40, after "chapter" insert ", either from the legislative body of a political subdivision or from a clerk of the circuit court after a petition process under section 23.5 of this chapter in a political subdivision,".

Page 15, line 3, after "subdivisions," insert "either from the legislative body of a political subdivision or from a clerk of the circuit court after a petition process under section 23.5 of this chapter in a political subdivision,".

(Reference is to EHB 1362 as printed February 24, 2006.)

LONG

Motion prevailed.

SENATE MOTION (Amendment 1362-4)

Madam President: I move that Engrossed House Bill 1362 be amended to read as follows:

Page 3, line 39, delete "The" and insert "**Except as provided in section 4 of this chapter, the**".

Page 4, between lines 3 and 4, begin a new paragraph and insert: "**Sec. 4. "Political subdivision" has the meaning set forth in IC 36-1-2, except that the term does not include a local hospital authority or corporation.**"

Page 4, line 4, delete "4." and insert "5."

Page 4, line 7, delete "5." and insert "6."

Page 4, line 10, delete "6." and insert "7."

Page 4, line 13, delete "7." and insert "8."

(Reference is to EHB 1362 as printed February 24, 2006.)

RIEGSECKER

Motion prevailed. The bill was ordered engrossed.

Engrossed House Bill 1396

Senator Merritt called up Engrossed House Bill 1396 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Engrossed House Bill 1397

Senator Lawson called up Engrossed House Bill 1397 for second reading. The bill was read a second time by title.

SENATE MOTION (Amendment 1397-3)

Madam President: I move that Engrossed House Bill 1397 be amended to read as follows:

Replace the effective dates in SECTIONS 1 through 17 with "[EFFECTIVE UPON PASSAGE]".

Page 1, between lines 4 and 5, begin a new line block indented and

insert:

"(1) "Advisory body" means an authority, a board, a commission, a committee, a task force, or other body designated by any name of the executive department that is authorized only to make nonbinding recommendations."

Page 1, line 5, strike "(1)" and insert "(2)".

Page 2, line 1, strike "(2)" and insert "(3)".

Page 2, line 3, strike "(3)" and insert "(4)".

Page 2, line 10, strike "(4)" and insert "(5)".

Page 2, line 20, strike "(5)" and insert "(6)".

Page 2, line 22, strike "(6)" and insert "(7)".

Page 2, line 26, strike "(7)" and insert "(8)".

Page 2, line 30, strike "(8)" and insert "(9)".

Page 2, line 35, strike "(9)" and insert "(10)".

Page 3, line 7, strike "(10)" and insert "(11)".

Page 3, line 16, strike "(11)" and insert "(12)".

Page 3, line 20, strike "(12)" and insert "(13)".

Page 3, line 24, strike "(13)" and insert "(14)".

Page 3, line 25, strike "(14)" and insert "(15)".

Page 3, line 30, strike "(15)" and insert "(16)".

Page 3, line 39, strike "(16)" and insert "(17)".

Page 4, line 5, strike "(17)" and insert "(18)".

Page 4, line 6, strike "(18)" and insert "(19)".

Page 4, line 35, after "chapter;" insert "or".

Page 4, delete line 36.

Page 4, between lines 39 and 40, begin a new line double block indented and insert:

"(C) IC 4-2-7;"

Page 7, line 19, after "chapter" insert ",".

Page 7, line 21, after "IC 4-2-7," insert "or".

Page 7, line 28, after "chapter" insert ",".

Page 7, line 30, after "IC 4-2-7," insert "or".

Page 8, line 13, after "IC 4-2-7," insert "or".

Page 10, line 8, after "Sec. 7." insert "(a) **This section does not apply to a special state appointee who serves only as a member of an advisory body.**

(b)".

Page 14, between lines 22 and 23, begin a new paragraph and insert:

"(f) **Subsection (b) does not apply to a special state appointee who serves only as a member of an advisory body.**"

Page 14, line 23, delete "(f)" and insert "(g)".

Page 14, between lines 28 and 29, begin a new paragraph and insert:

"(h) **Subsection (b) does not apply to a special state appointee who:**

(1) was a special state appointee before January 10, 2005; and

(2) is a special state appointee after January 9, 2005.

This subsection expires January 1, 2007."

Page 14, line 31, strike "person" and insert "special state appointee".

Page 14, strike lines 33 through 36.

Page 14, line 37, strike "(c)" and insert "(b)".

Page 14, line 37, strike "(d)," and insert "(c)".

Page 14, line 38, strike "member of a board, a commission, a"

Page 14, line 39, strike "committee, an authority, or a task force

of the executive department." and insert "**special state appointee**."

Page 14, line 40, strike "(d)" and insert "(c)".

Page 15, line 3, after "IC 4-2-7," insert "**or**".

Page 19, after line 11, begin a new paragraph and insert:

"SECTION 18. **An emergency is declared for this act.**"

Renumber all SECTIONS consecutively.

(Reference is to EHB 1397 as printed February 22, 2006.)

LAWSON

Motion prevailed.

SENATE MOTION
(Amendment 1397-1)

Madam President: I move that Engrossed House Bill 1397 be amended to read as follows:

Page 5, line 12, delete "." and insert ", **IC 4-2-7, and IC 4-2-8.**"

Page 16, line 34, strike "Adopt" and insert "**Recommend to the commission adoption of**".

Page 16, line 36, delete "Adopt" and insert "**Recommend to the commission adoption of**".

Page 17, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 15. IC 4-2-7-5, AS ADDED BY P.L.222-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. (a) The inspector general shall ~~adopt~~ **recommend to the commission adoption of** rules under IC 4-22-2 establishing a code of ethics for the conduct of state business. The code of ethics must be consistent with Indiana law.

(b) If the inspector general investigates and determines that there is specific and credible evidence that a current or former employee, a current or former state officer, a current or former special state appointee, or a person who has or had a business relationship with an agency has violated the code of ethics, the inspector general may:

(1) file a complaint with the ethics commission and represent the state in a public proceeding before the ethics commission as prescribed in IC 4-2-6-4; or

(2) file a complaint with the ethics commission and negotiate an agreed settlement for approval by the ethics commission according to its rules."

Page 18, line 2, delete "department" and insert "**commission**".

Page 18, line 3, delete "In the" and insert "**The**".

Page 18, line 3, delete ", the department".

Page 18, line 36, after "general" insert ",."

Page 18, line 36, delete "and the".

Page 18, line 37, delete "commission,"

Page 18, line 37, delete "adopt" and insert "**recommend to the commission adoption of**".

Page 19, after line 11, begin a new paragraph and insert:

"SECTION 19. [EFFECTIVE JULY 1, 2006] (a) **The definitions in IC 4-2-6, IC 4-2-7, and IC 4-2-8 apply throughout this SECTION.**

(b) **25 IAC 6 and 42 IAC, both as in effect on June 30, 2006, are, after June 30, 2006, considered to have been adopted by the commission.**

(c) **This SECTION expires July 1, 2007.**"

Renumber all SECTIONS consecutively.

(Reference is to EHB 1397 as printed February 22, 2006.)

HUME

The Chair ordered a division of the Senate. Yeas 16, nays 30.

Motion failed. The bill was ordered engrossed.

Engrossed House Bill 1128

Senator Wyss called up Engrossed House Bill 1128 for second reading. The bill was read a second time by title.

SENATE MOTION
(Amendment 1128-4)

Madam President: I move that Engrossed House Bill 1128 be amended to read as follows:

Page 2, line 22, after "IC 9-30-8." insert "**However, the court may grant probationary driving privileges under this subsection without requiring the installation of an ignition interlock device, if the person is successfully participating in a court supervised alcohol treatment program in which the person is taking disulfiram or a similar substance that the court determines is effective in treating alcohol abuse.**"

(Reference is to EHB 1128 as printed February 24, 2006.)

LONG

Motion prevailed.

SENATE MOTION
(Amendment 1128-1)

Madam President: I move that Engrossed House Bill 1128 be amended to read as follows:

Page 2, line 22, after "IC 9-30-8." insert "**The person granted probationary driving privileges under this subsection shall pay all costs associated with the installation of an ignition interlock device unless the sentencing court determines that the person is indigent.**"

Page 2, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 2. IC 9-30-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) Except as provided in subsections (b) and (c) **and section 10 of this chapter**, the court may, in granting probationary driving privileges under this chapter, also order that the probationary driving privileges include the requirement that a person may not operate a motor vehicle unless the vehicle is equipped with a functioning certified ignition interlock device under IC 9-30-8.

(b) An order granting probationary driving privileges:

(1) under:

(A) section 12(a) of this chapter, if the person has a previous conviction that occurred at least ten (10) years before the conviction under consideration by the court; or

(B) section 12(c) of this chapter; or

(2) to a person who has a prior unrelated conviction for an offense under this chapter of which the consumption of alcohol is an element;

must prohibit the person from operating a motor vehicle unless the vehicle is equipped with a functioning certified ignition interlock device under IC 9-30-8. However, a court is not required to order the

installation of an ignition interlock device for a person described in subdivision (1) or (2) if the person is successfully participating in a court supervised alcohol treatment program in which the person is taking disulfiram or a similar substance that the court determines is effective in treating alcohol abuse.

(c) A court may not order the installation of an ignition interlock device on a vehicle operated by an employee to whom any of the following apply:

- (1) Has been convicted of violating section 1 or 2 of this chapter.
- (2) Is employed as the operator of a vehicle owned, leased, or provided by the employee's employer.
- (3) Is subject to a labor agreement that prohibits an employee who is convicted of an alcohol related offense from operating the employer's vehicle."

Page 3, line 1, after "installation" delete "." and insert "**unless the sentencing court determines that the person is indigent.**".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1128 as printed February 24, 2006.)

LANANE

Motion prevailed. The bill was ordered engrossed.

ENGROSSED HOUSE BILLS ON THIRD READING

Engrossed House Bill 1010

Senator Bray called up Engrossed House Bill 1010 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning property.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 245: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1011

Senator Lawson called up Engrossed House Bill 1011 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 246: yeas 34, nays 15. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1022

Senator Merritt called up Engrossed House Bill 1022 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 247: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1024

Senator Drozda called up Engrossed House Bill 1024 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 248: yeas 47, nays 2. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1028

Senator Nugent called up Engrossed House Bill 1028 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning firearms and self-defense.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 249: yeas 44, nays 5. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1056

Senator Merritt called up Engrossed House Bill 1056 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 250: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1080

Senator Miller called up Engrossed House Bill 1080 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 251: yeas 48, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

SENATE MOTION

Madam President: I move that Senator Drozda be removed as second sponsor of Engrossed House Bill 1080.

DROZDA

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Delph be removed as cosponsor of Engrossed House Bill 1080.

DELPH

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Miller be removed as sponsor of Engrossed House Bill 1080 and that Senator Drozda be substituted therefor.

MILLER

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Delph be added as second sponsor of Engrossed House Bill 1080.

DROZDA

Motion prevailed.

ENGROSSED HOUSE BILLS ON THIRD READING

Engrossed House Bill 1089

Senator Kenley called up Engrossed House Bill 1089 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 252: yeas 41, nays 8. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

Engrossed House Bill 1093

Senator Wyss called up Engrossed House Bill 1093 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning school safety.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 253: yeas 41, nays 8. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill.

MOTIONS TO DISSENT FROM HOUSE AMENDMENTS

SENATE MOTION

Madam President: I move that the Senate do not concur with the House Amendments to Engrossed Senate Bill 75 and that a conference committee be appointed to confer with a like committee of the House.

LONG

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Lubbers be removed as cosponsor of House Concurrent Resolution 53.

LUBBERS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hershman be removed as sponsor of House Concurrent Resolution 53 and that Senator Lubbers be substituted therefor.

HERSHMAN

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hershman be added as cosponsor of House Concurrent Resolution 53.

LUBBERS

Motion prevailed.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1214, which is eligible for third reading, be returned to second reading for purposes of amendment.

LONG

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Heinold be added as cosponsor of Engrossed House Bill 1028.

NUGENT

Motion prevailed.

SENATE MOTION

Madam President: I move that Senators Kruse and Delph be added as cosponsors of Engrossed House Bill 1138.

WEATHERWAX

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Breaux be added as coauthor of Senate Concurrent Resolution 35.

HOWARD

Motion prevailed.

**REPORT OF THE
PRESIDENT PRO TEMPORE**

Pursuant to Rule 81(b), of the Standing Rules and Orders of the Senate, President Pro Tempore Robert D. Garton has appointed the following senators to serve as Senate conferees (or advisors) on Engrossed Senate Bill 75:

Conferees: Long, Chair and Craycraft

Advisors: Delph and Howard

GARTON

Date: 2/28/2006

Time: 5:44 p.m.

Report adopted.

SENATE MOTION

Madam President: I move that Senator Heinold be added as cosponsor of Engrossed House Bill 1093.

WYSS

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Landske be added as cosponsor of Engrossed House Bill 1093.

WYSS

Motion prevailed.

SENATE MOTION

Madam President: I move we adjourn until 1:30 p.m., Wednesday, March 1, 2006.

GARTON

Motion prevailed.

The Senate adjourned at 7:06 p.m.

MARY C. MENDEL
Secretary of the Senate

REBECCA S. SKILLMAN
President of the Senate